

# CoreNet Global Research

## Productivity Metrics

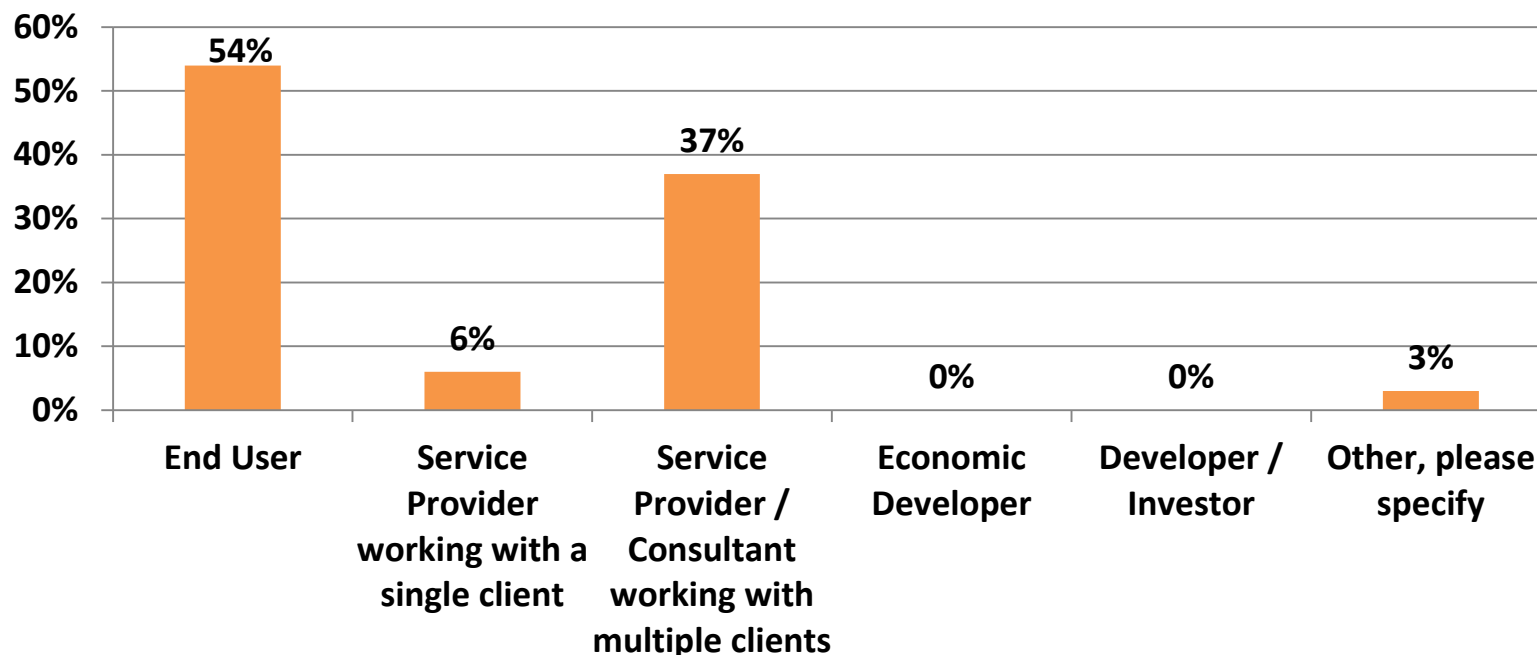
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**Newmark  
Knight Frank**

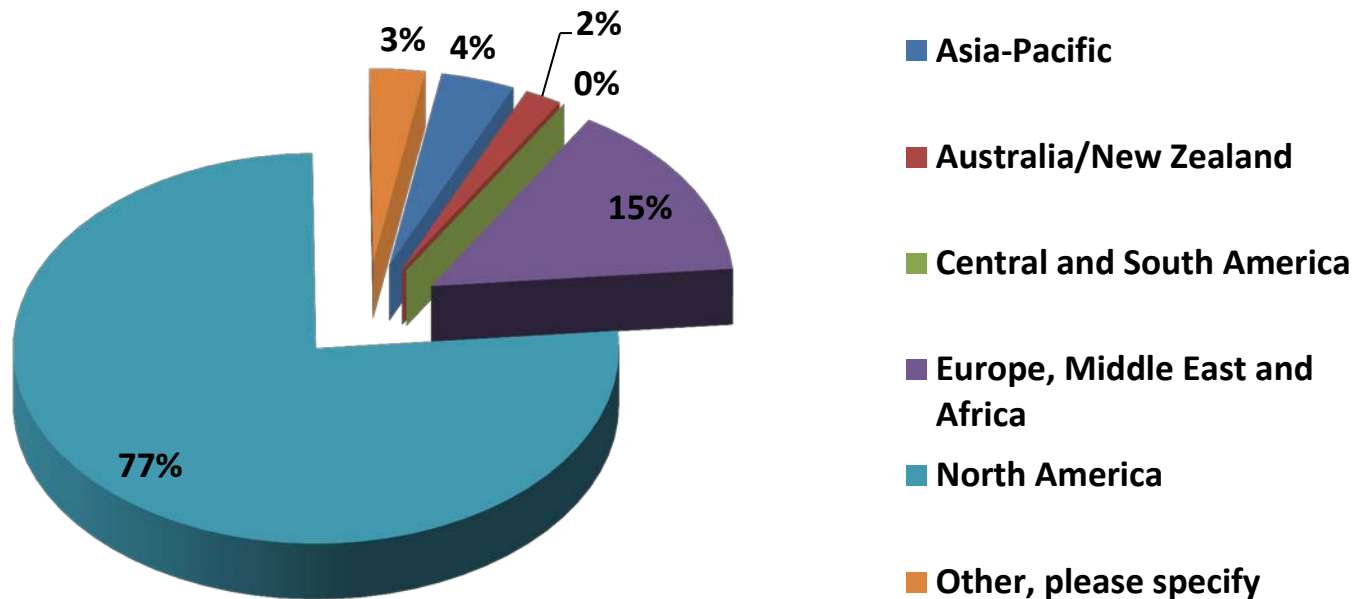


## Which term best describes your role in the industry?



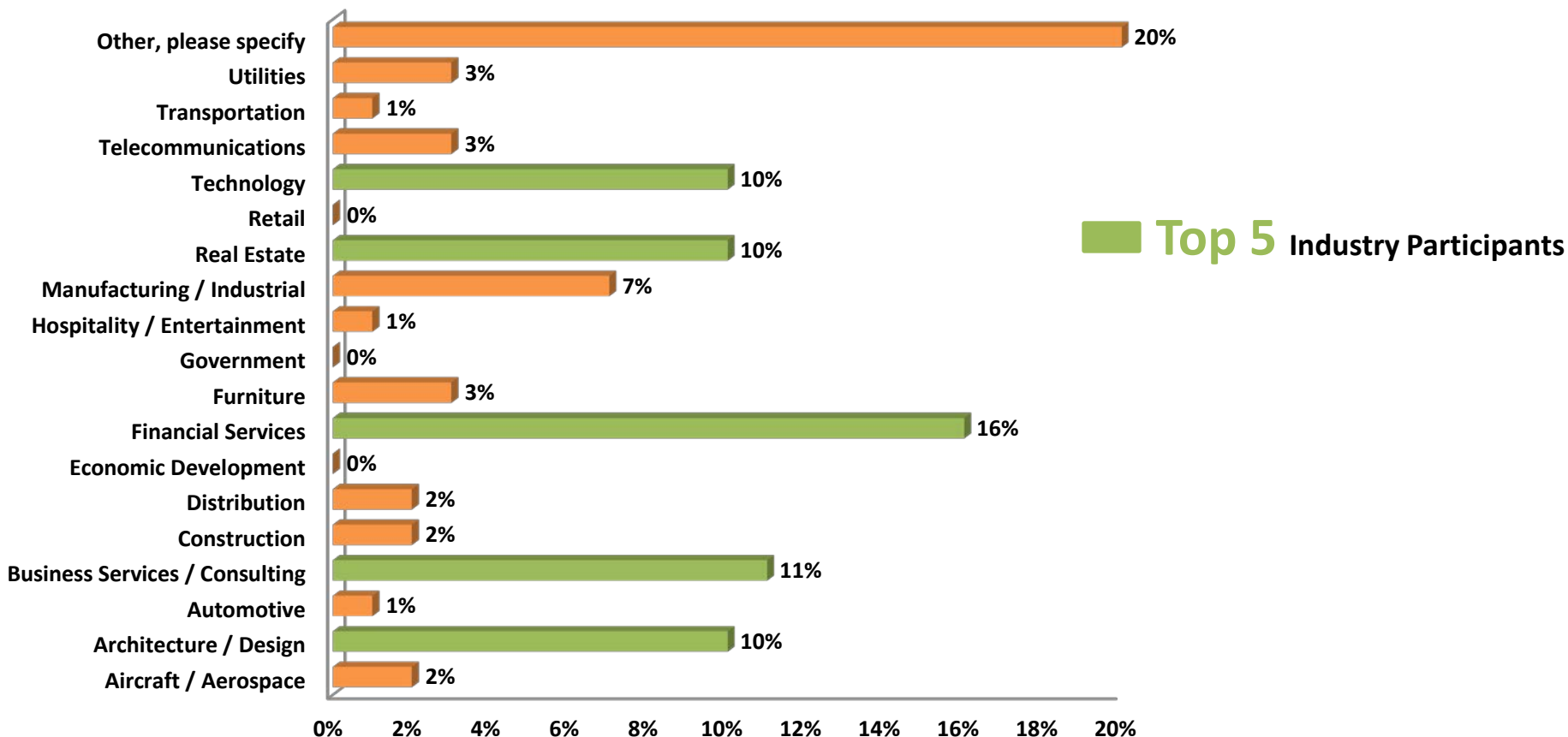
The total number of survey respondents was 114. 64 were End Users and 50 were Service Providers.

# Please specify the global region in which you are headquartered



## What best describes your industry?

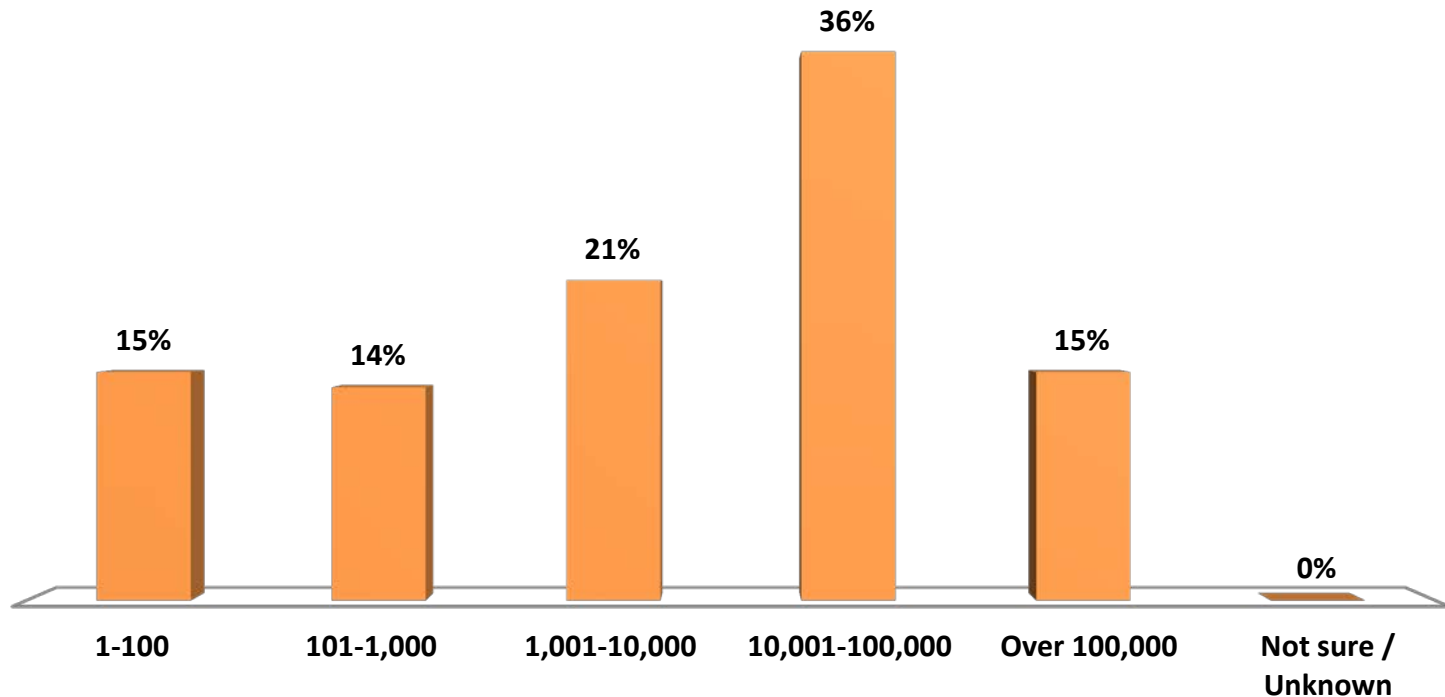
For Service Providers working with a single client, answer based on the industry of the client



### Other:

- Real Estate Services
- Contractor Working with Multiple Clients

# Approximately how many employees does your company have?



- The plurality of respondents represent companies between 10,001 – 100,000 employees.



## Presenters

### Newmark Knight Frank Global Corporate Services



**ANN TUCKER**  
Senior Managing Director  
20 Years of Experience

**Areas of specialization**

- Portfolio Strategy
- Workplace Strategy
- Headquarters Occupancy Strategy
- Master Planning
- Standardization Programming
- Project Management
- Interior Design



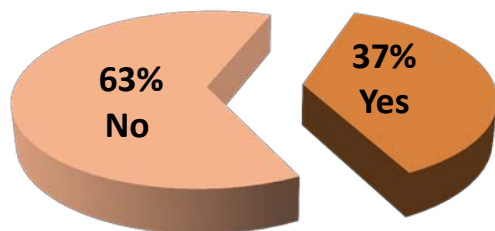
**STACY DAVIS**  
Senior Managing Director  
20 Years of Experience

**Areas of specialization**

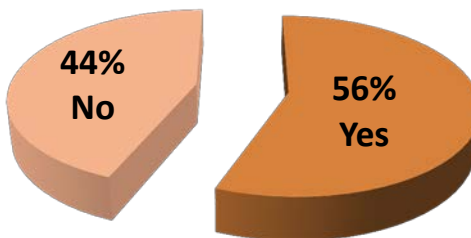
- Workplace Strategies & Mobility
- Workplace Integration
- Standardization Programming
- Space Design Guideline Development
- Workplace Planning
- Interior Design

## Measuring Productivity

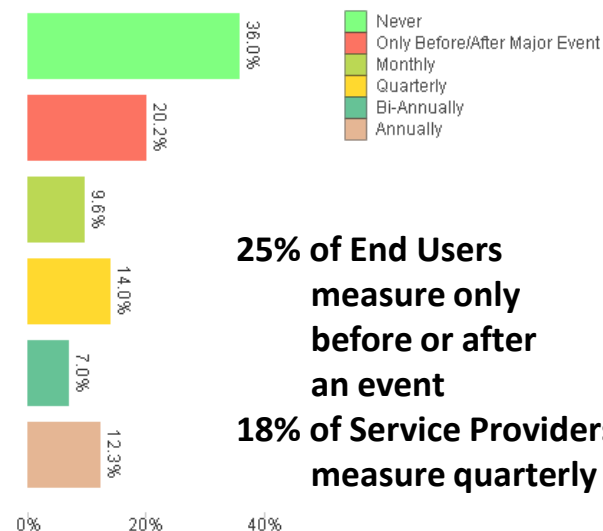
**Do you measure how the workplace impacts corporate office staff productivity?**



**Does the CRE organization work with the business units to help increase productivity and involvement in projects such as lean six sigma, office automation, workflow redesign, document management, etc?**



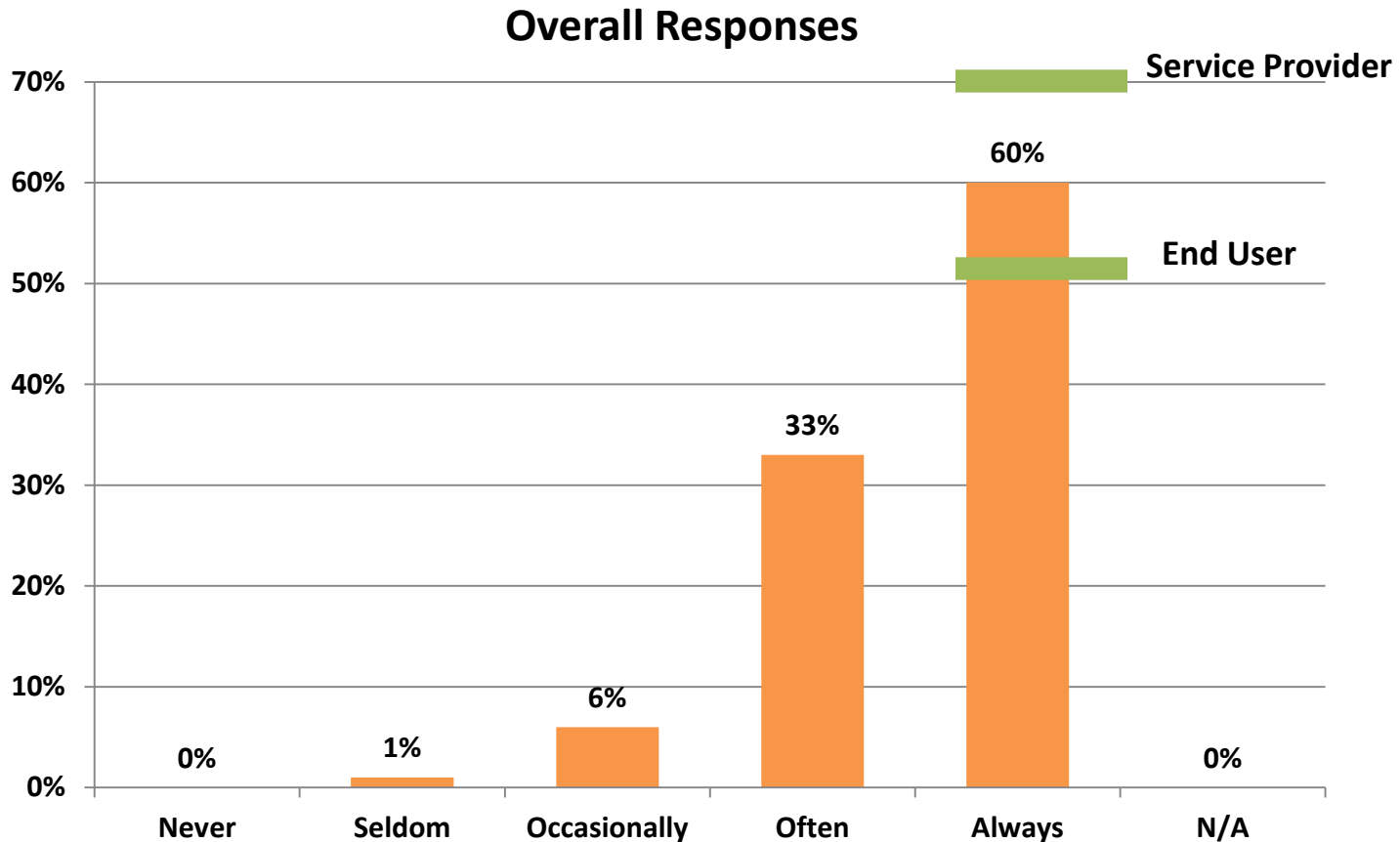
**How often do you measure, analyze and report productivity metrics?**



**25% of End Users measure only before or after an event**

**18% of Service Providers measure quarterly**

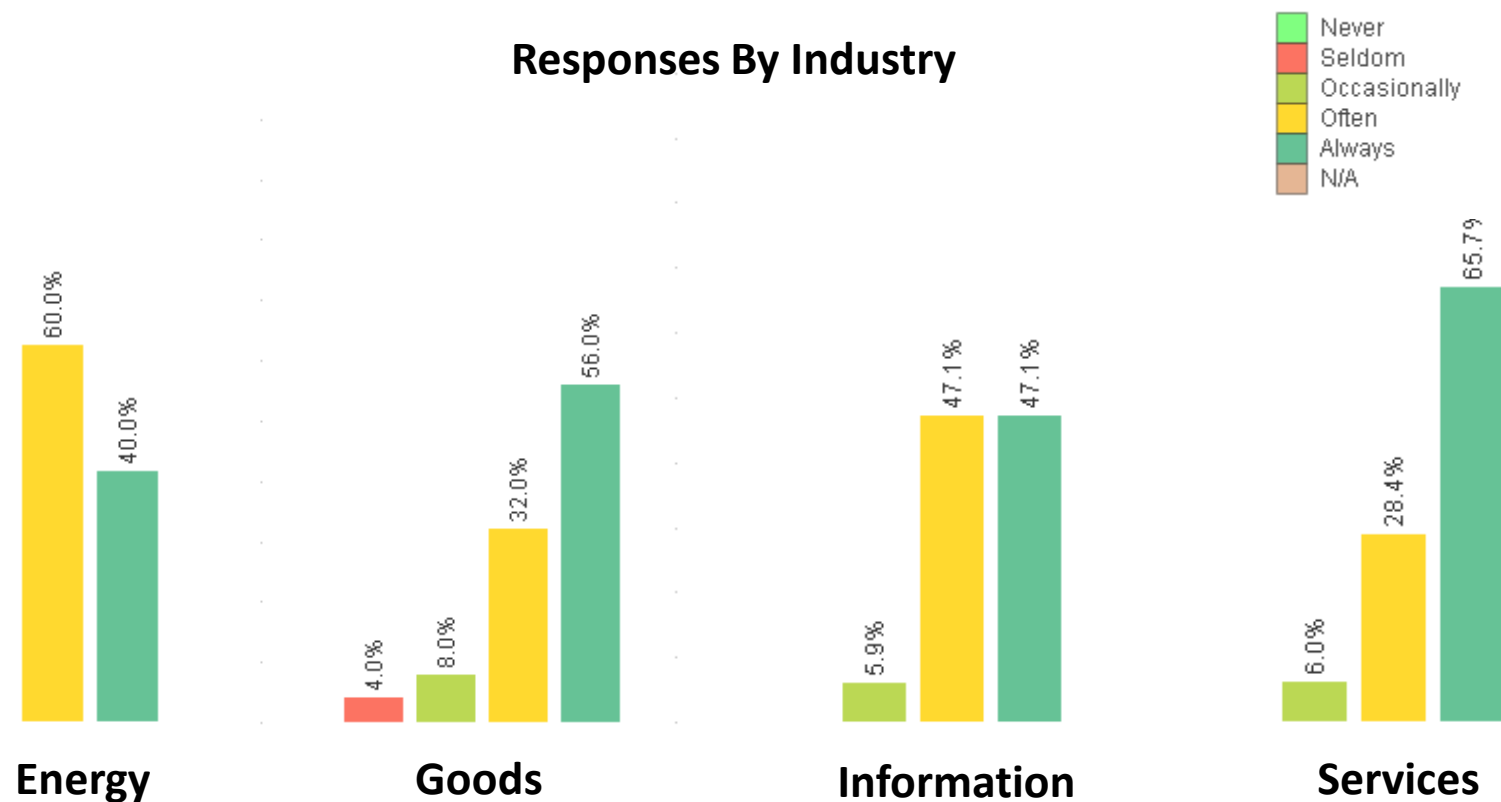
# Do you believe that Real Estate and Facilities have an impact on organizational productivity?



Service Providers responded 18% higher than End Users that real estate and facilities “always” have an impact on organizational productivity.

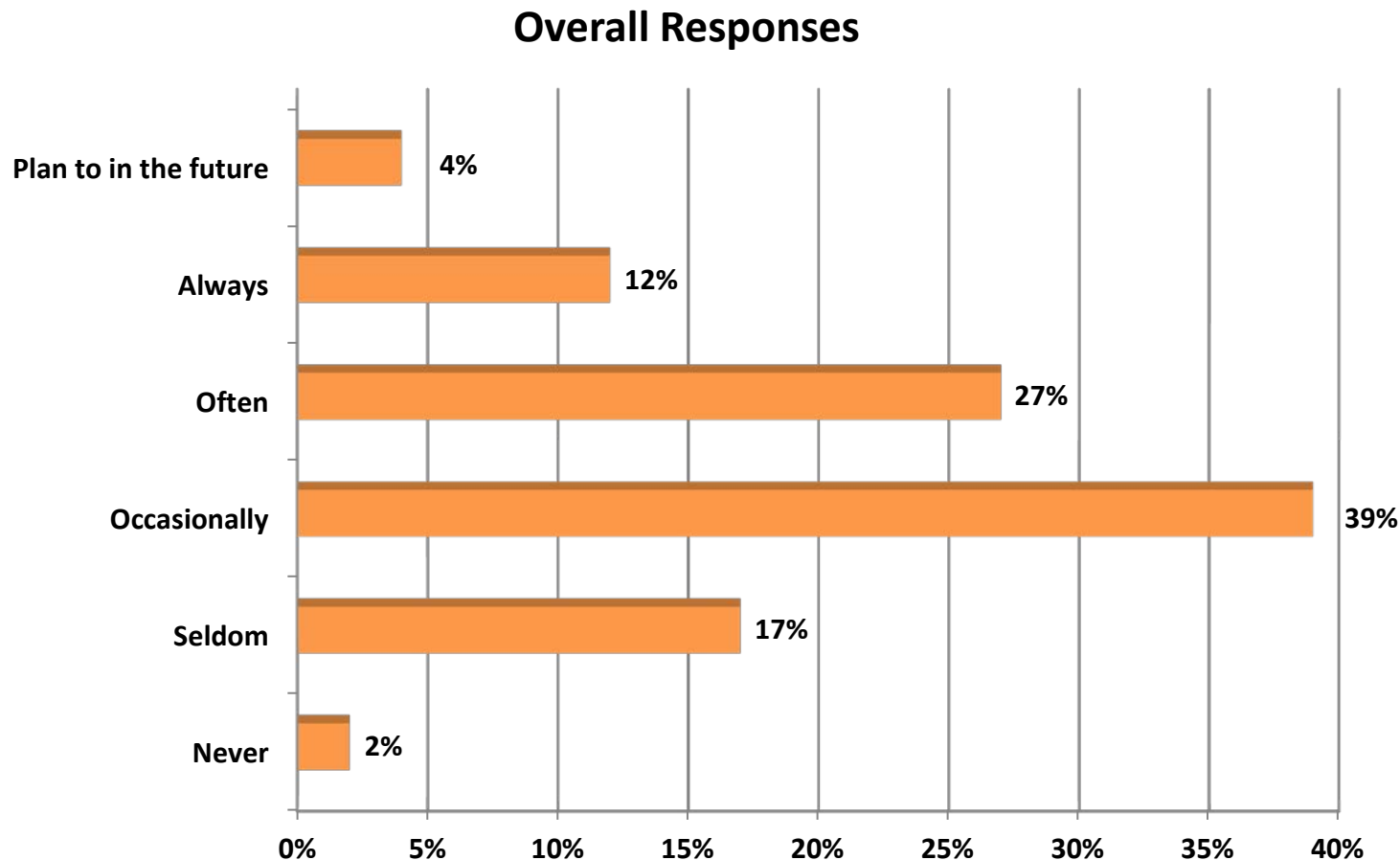


# Do you believe that Real Estate and Facilities have an impact on organizational productivity?



**88-100% of all industry participants agree Real Estate and Facilities “Often or Always” have an impact on organizational productivity.**

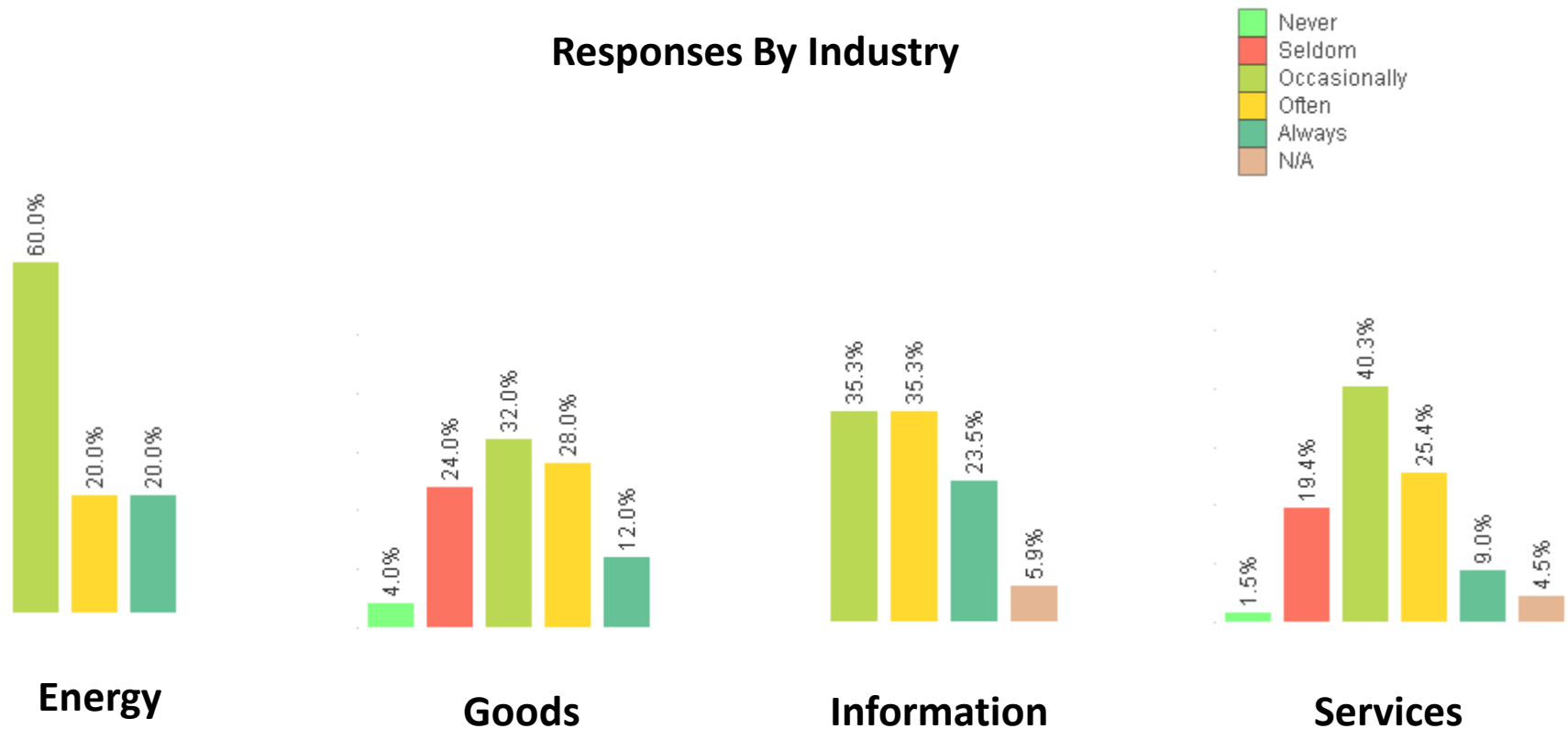
# Does your organization integrate Real Estate, HR and IT initiatives to improve productivity?



Responses indicate that 81% “Occasionally, Often, Always or Plan to integrate CRE, HR and IT initiatives to improve productivity. 19% reported they “Seldom or Never” integrate these discipline initiatives.

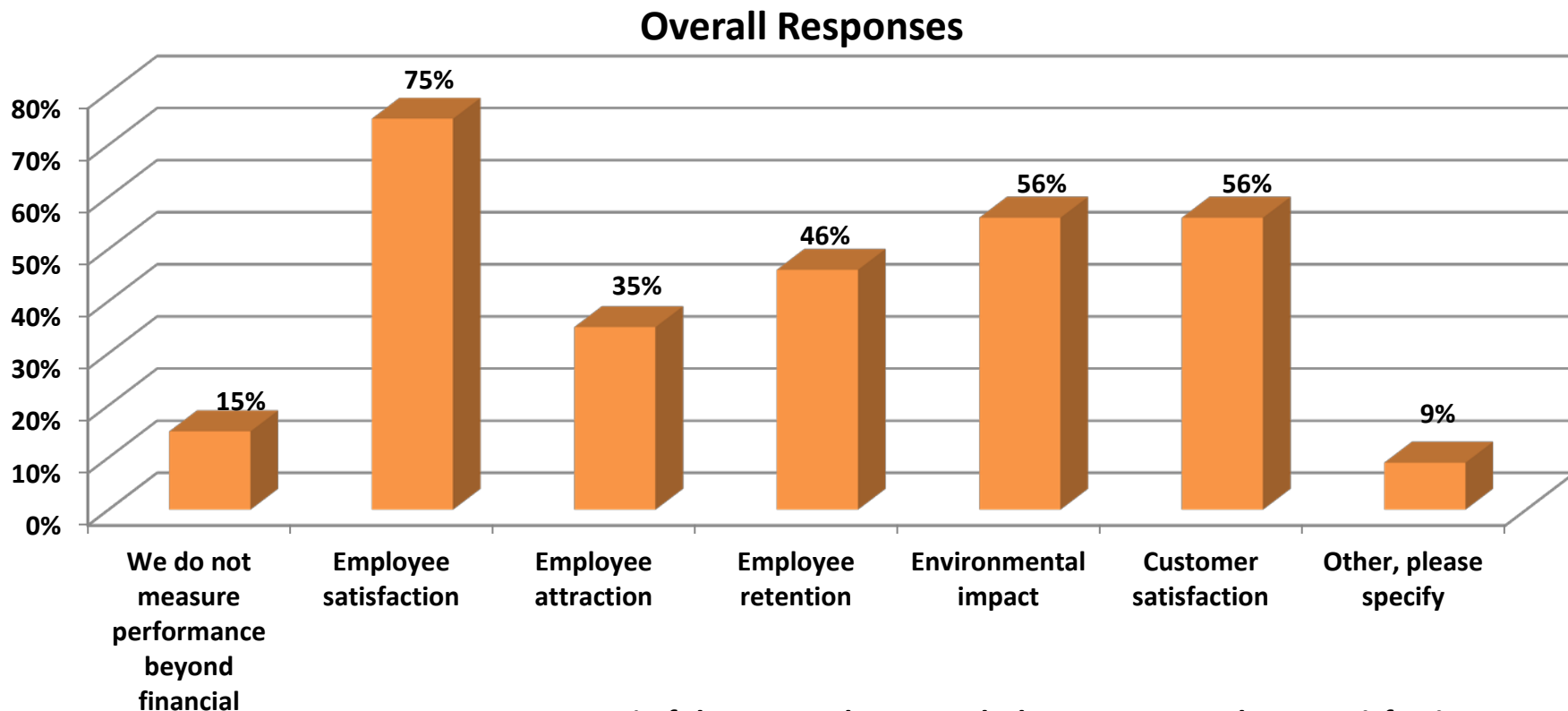
# Does your organization integrate Real Estate, HR and IT initiatives to improve productivity?

## Responses By Industry



The 19% of respondents reporting “Seldom or Never” are found in the Goods industry and Services industry. Energy and Information respondents report greater than 90% “Occasionally, Often and Always.”

# Please select all the non-financial and RE related key performance metrics that you regularly measure:



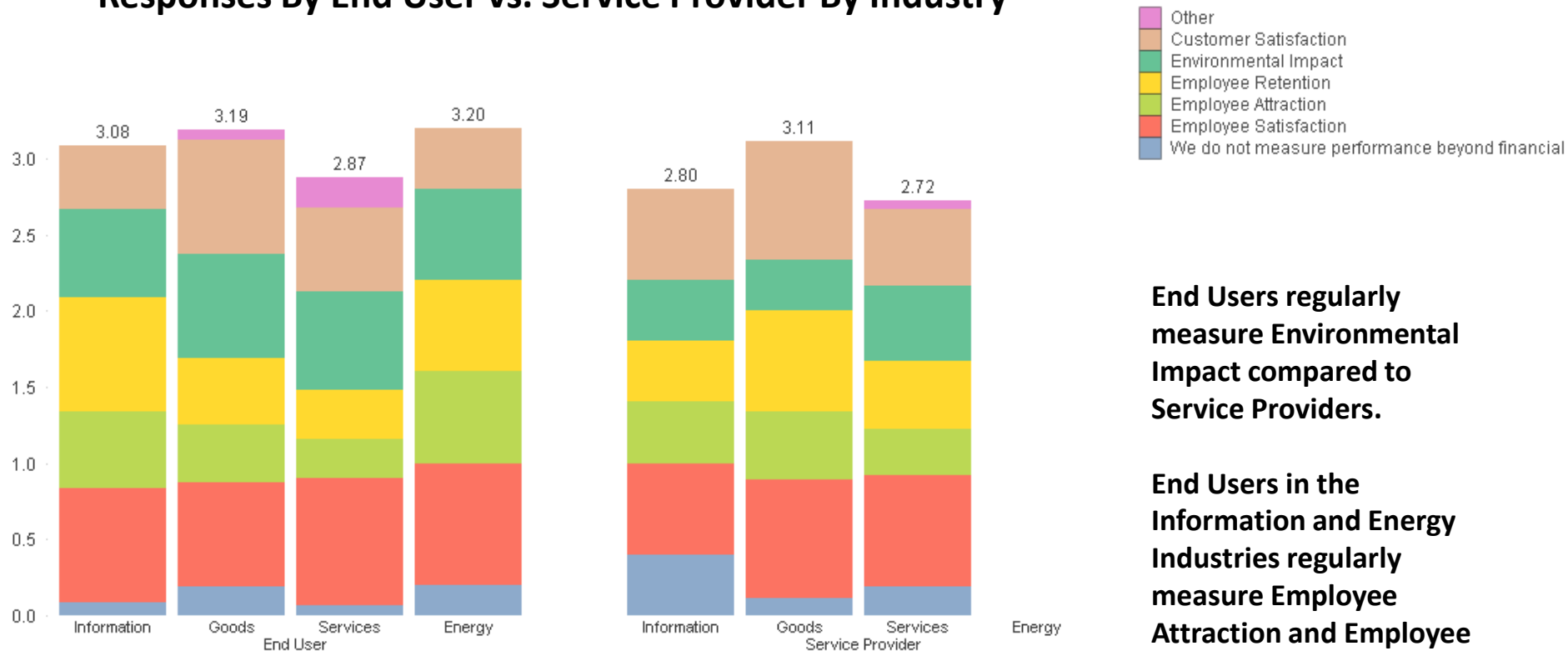
**75% of the respondents regularly measure employee satisfaction**

## Other Metrics measured are:

- Collaboration, concentration, access to information, reduced wasted time, etc.
- Well-being (physical, social and emotional health)
- Social Network measures: median degree, distance
- Safety, health, regulatory(EPA)

# Please select all the non-financial and RE related key performance metrics that you regularly measure:

## Responses By End User vs. Service Provider By Industry



**End Users regularly measure Environmental Impact compared to Service Providers.**

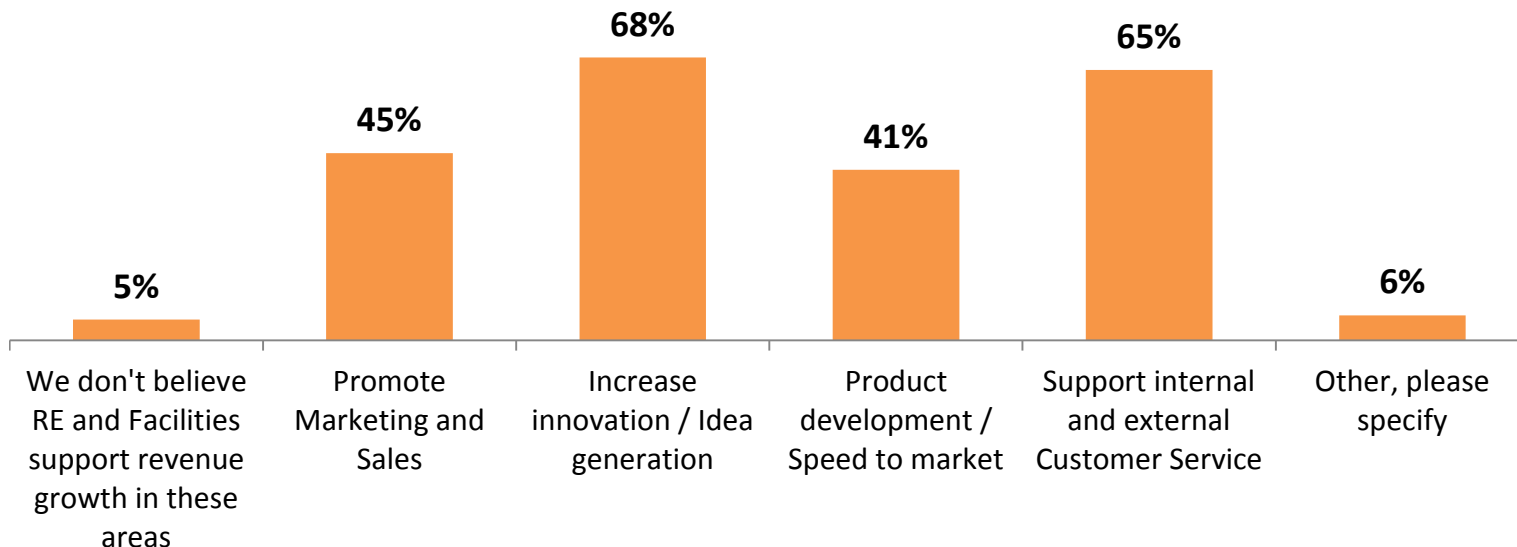
**End Users in the Information and Energy Industries regularly measure Employee Attraction and Employee Retention more than the End Users in Services and Goods.**

### Other metrics measured are:

- Collaboration, concentration, access to information, reduced wasted time, etc.
- Well-being (physical, social and emotional health)
- Social Network measures: median degree, distance
- Safety, health, regulatory(EPA)

# Please select all the following revenue growth areas that Real Estate and Facilities strategies have an impact on in your organization.

## Overall Responses



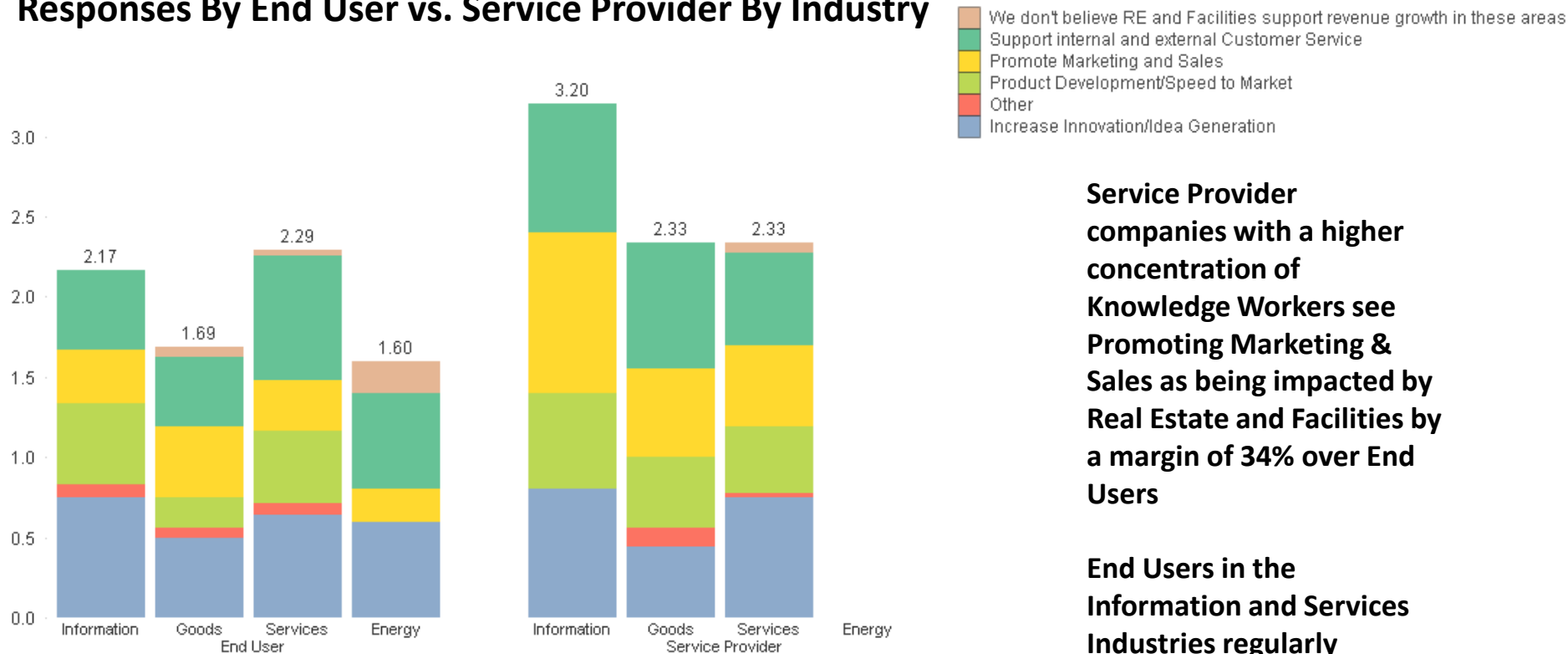
**Very few, 5%, indicate Real Estate and Facilities have no impact on revenue growth. 65-68% reported there was an impact in revenue growth around increasing Innovation/Idea generation and supporting internal and external Customer Service.**

### Other Revenue Growth areas that RE&F have an impact on:

- Portfolio Optimization and Space Reduction
- Attract Faculty and Students
- Foster Collaboration among staff
- Location and Growth strategies
- Customer Proximity

# Please select all the following revenue growth areas that Real Estate and Facilities strategies have an impact on in your organization.

## Responses By End User vs. Service Provider By Industry



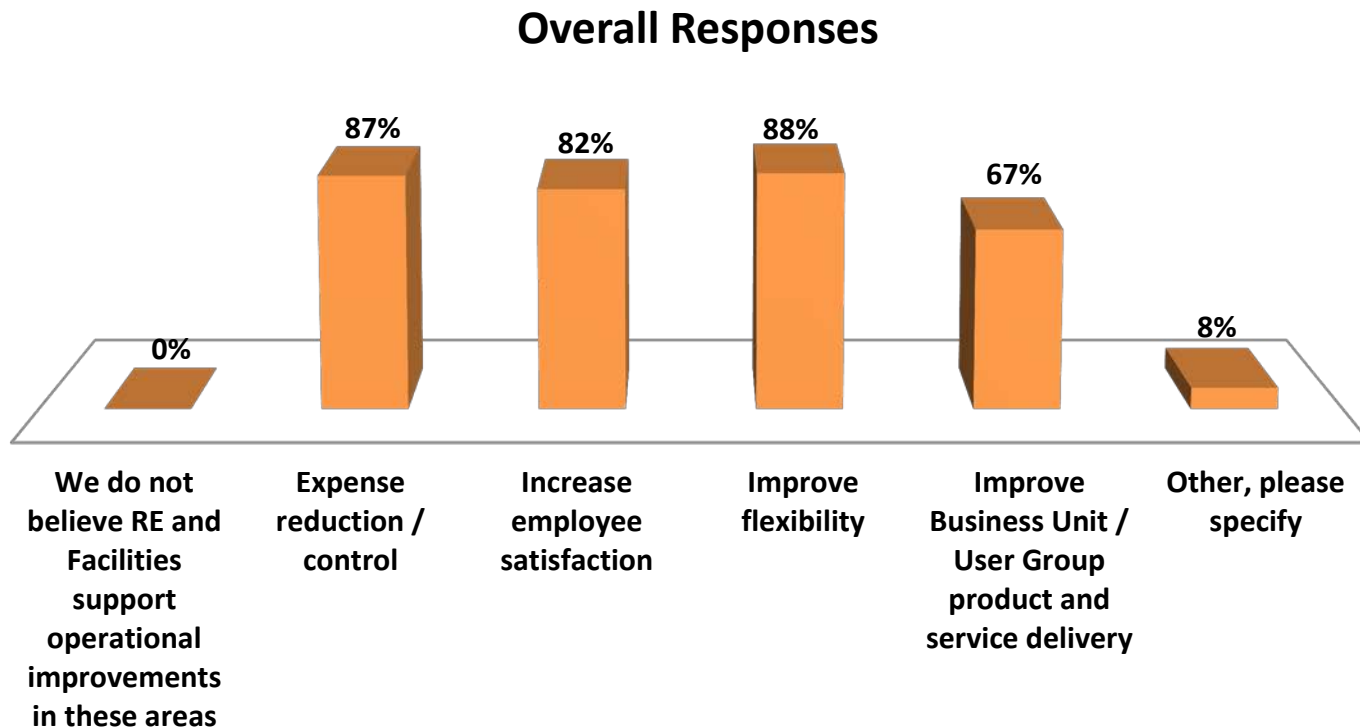
**Service Provider companies with a higher concentration of Knowledge Workers see Promoting Marketing & Sales as being impacted by Real Estate and Facilities by a margin of 34% over End Users**

**End Users in the Information and Services Industries regularly measure Product Development.**

### Other Revenue Growth areas that RE&F have an impact on:

- Portfolio Optimization and Space Reduction
- Attract Faculty and Students
- Foster Collaboration among staff
- Location and Growth strategies
- Customer Proximity

Please select all the operational improvement areas that Real Estate and Facilities strategies have an impact on in your organization.



All respondents indicated they believed Real Estate and Facilities strategies have an impact on operational improvement.

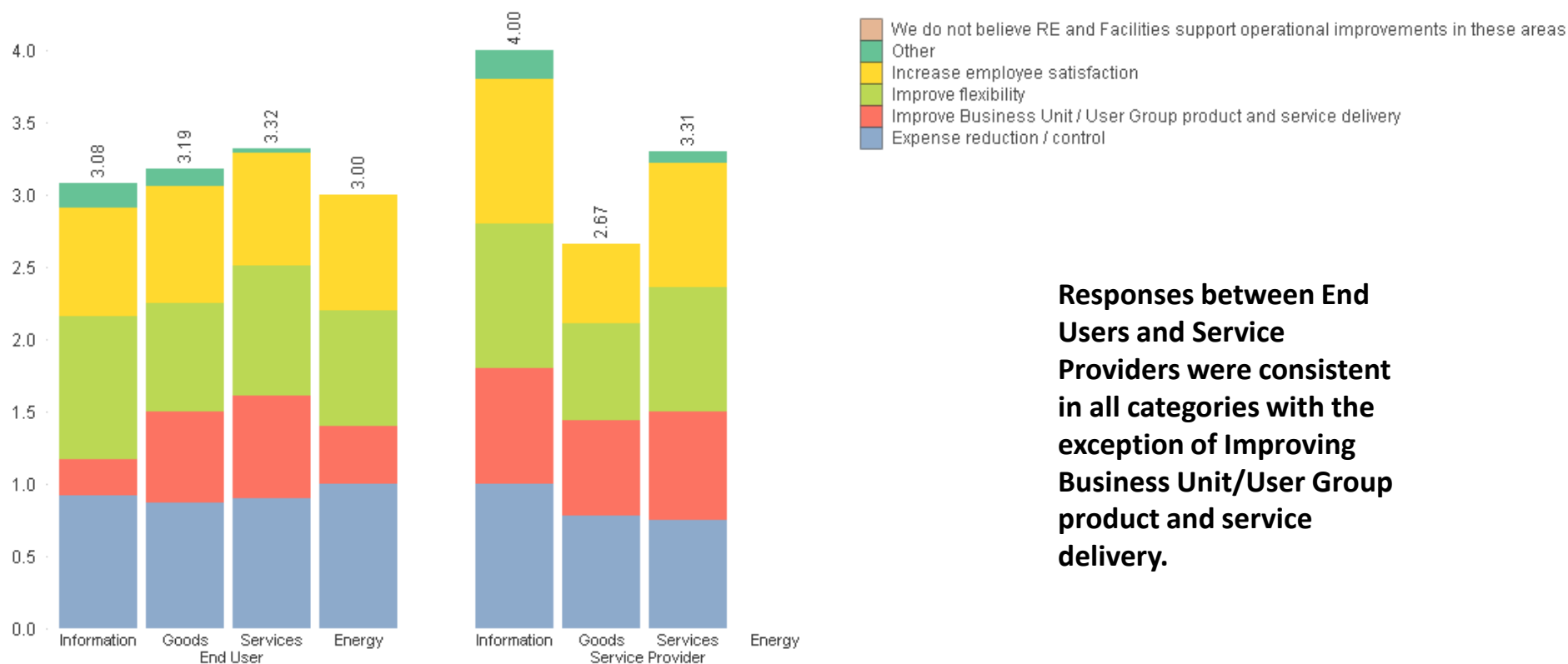
**Other Operational Improvement areas that RE&F have an impact include:**

- Improve collaboration, inclusion, and diversity
- Improved staff loyalty and morale
- Reduce real estate costs
- Sustainability



# Please select all the operational improvement areas that Real Estate and Facilities strategies have an impact on in your organization.

## Responses By End User vs. Service Provider By Industry



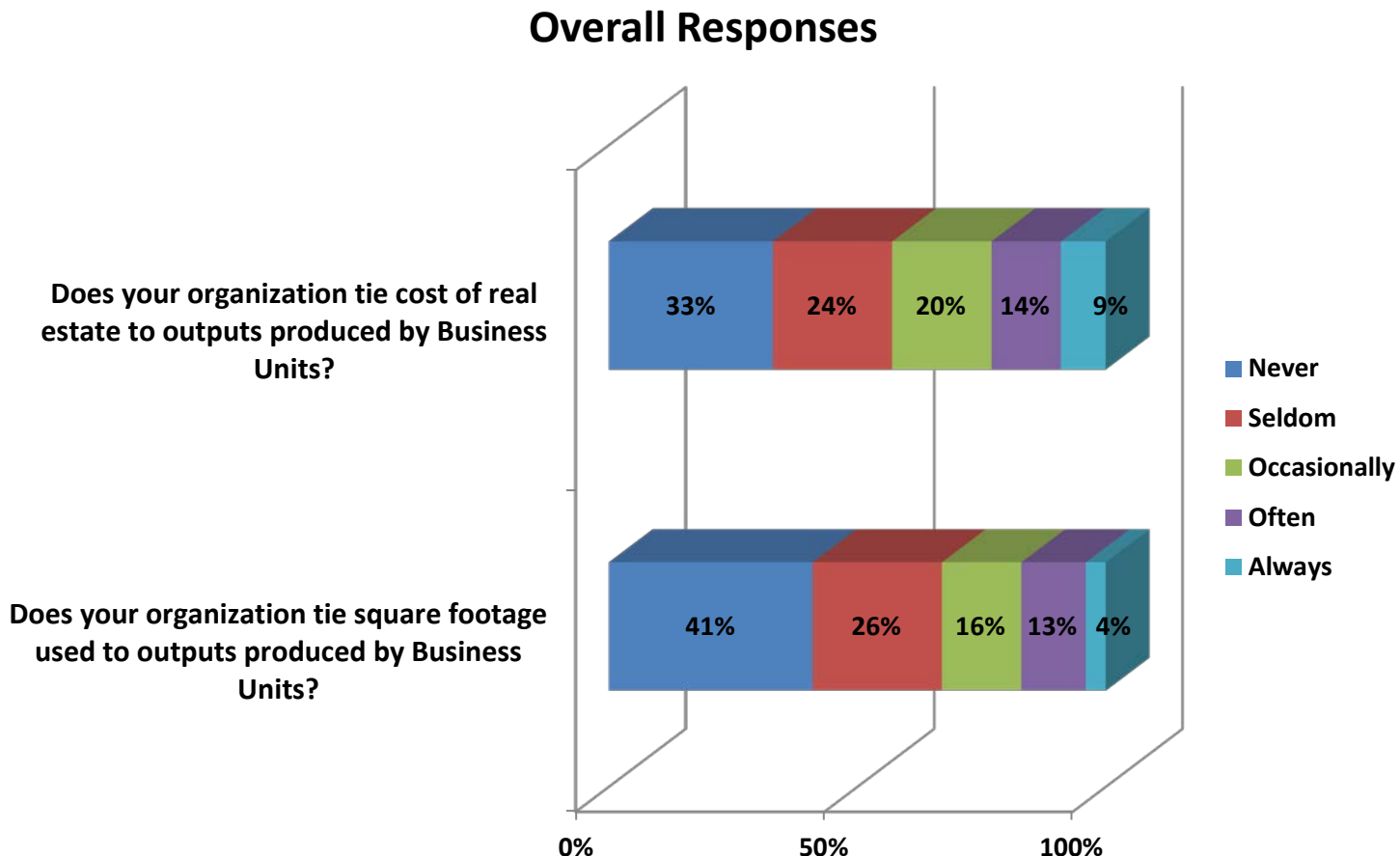
**Responses between End Users and Service Providers were consistent in all categories with the exception of Improving Business Unit/User Group product and service delivery.**

### Other Operational Improvement areas that RE&F have an impact on:

- Improve collaboration, inclusion, and diversity
- Improved staff loyalty and morale
- Reduce real estate costs
- Sustainability

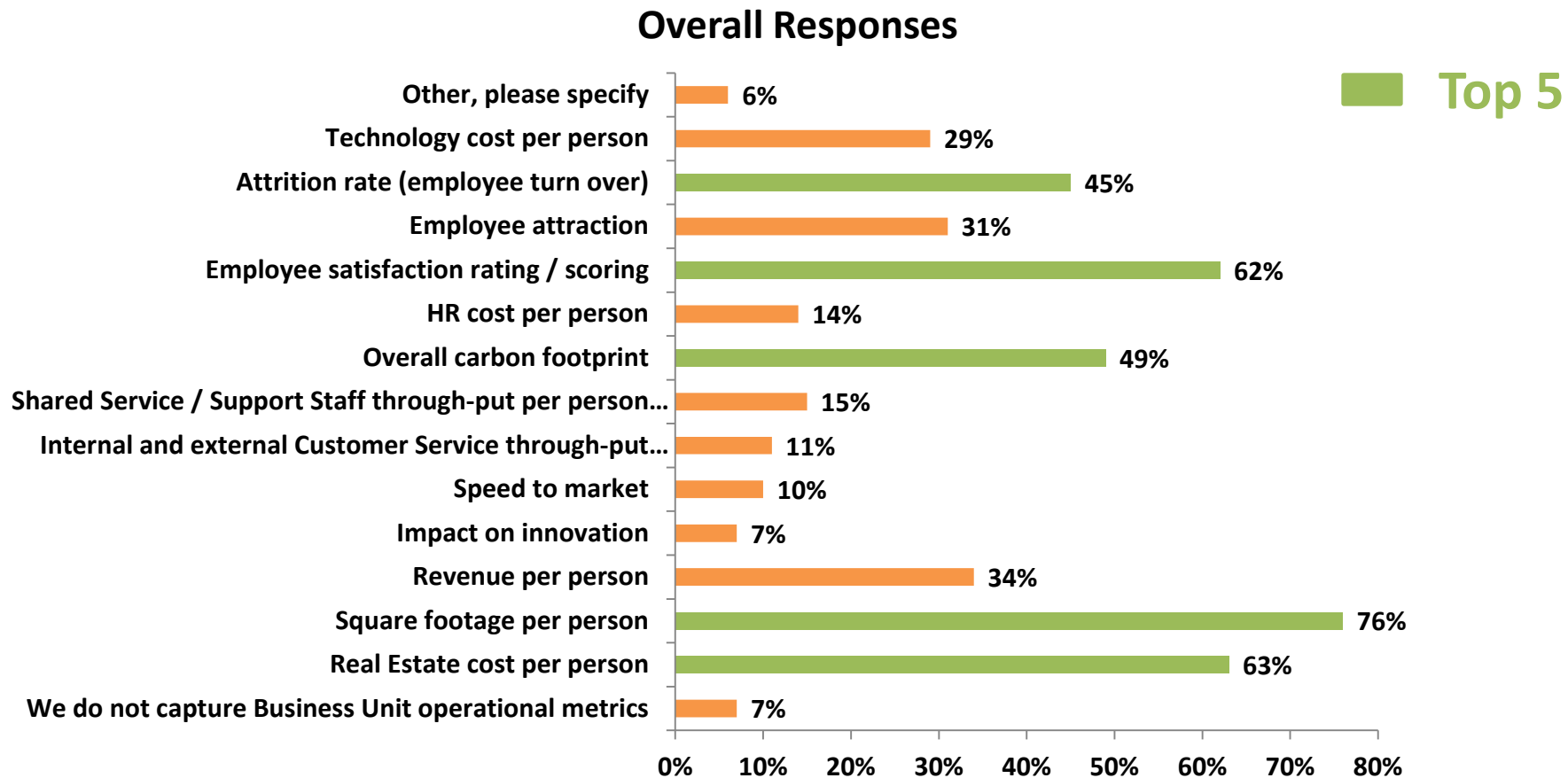
**Output over input is the basic measure of productivity and is how most managers are measured. (Ex: Sales per SF, R&D Innovation per \$ invested, etc.)**

**Relating this to Real Estate and Facilities:**



**Only 17-23% tie the cost of real estate or square footage used to outputs produced by the Business Unit with an additional 36% reporting "Occasionally." 33-41% report they "Never" measuring outputs produced by the Business Unit.**

# Please select all the operational metrics that you capture.

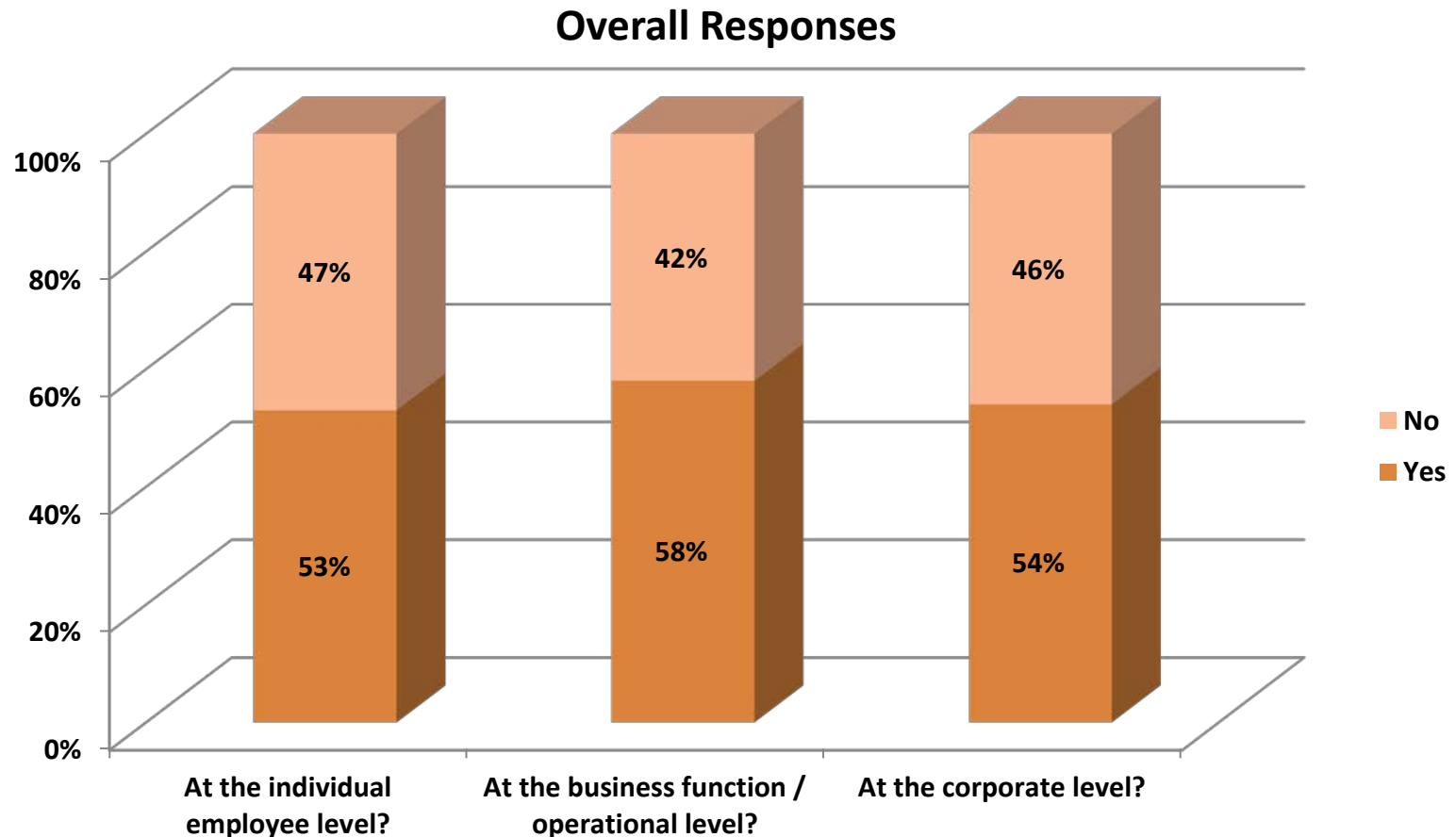


## Other Operational metrics captured

- FM Service Delivery
- Active Occupancy
- Energy usage per ton output

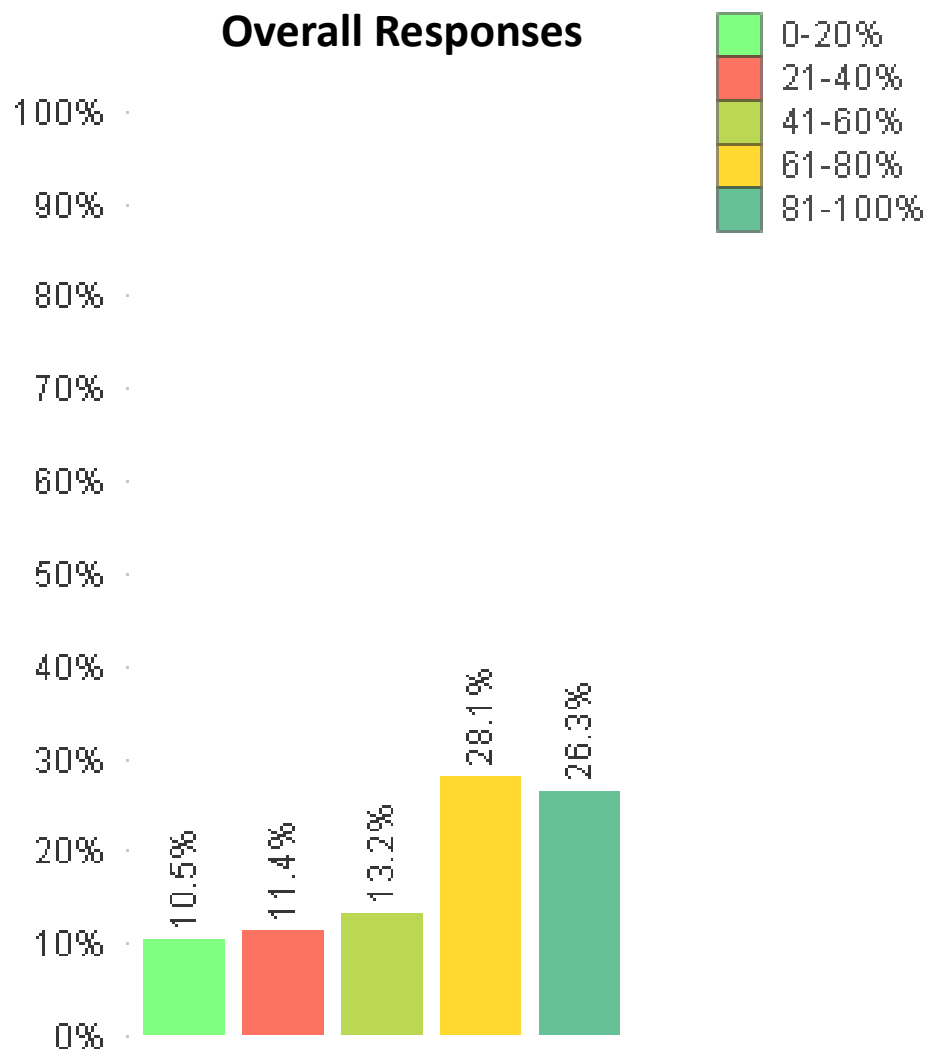
**RSF/Person and Cost/Person is consistently tracked between End Users and Service Providers but is higher for End Users. The overall Carbon footprint is higher for End Users than Service Providers.**

# Do you measure the perception of employee productivity from both the individual employee and management perspective?



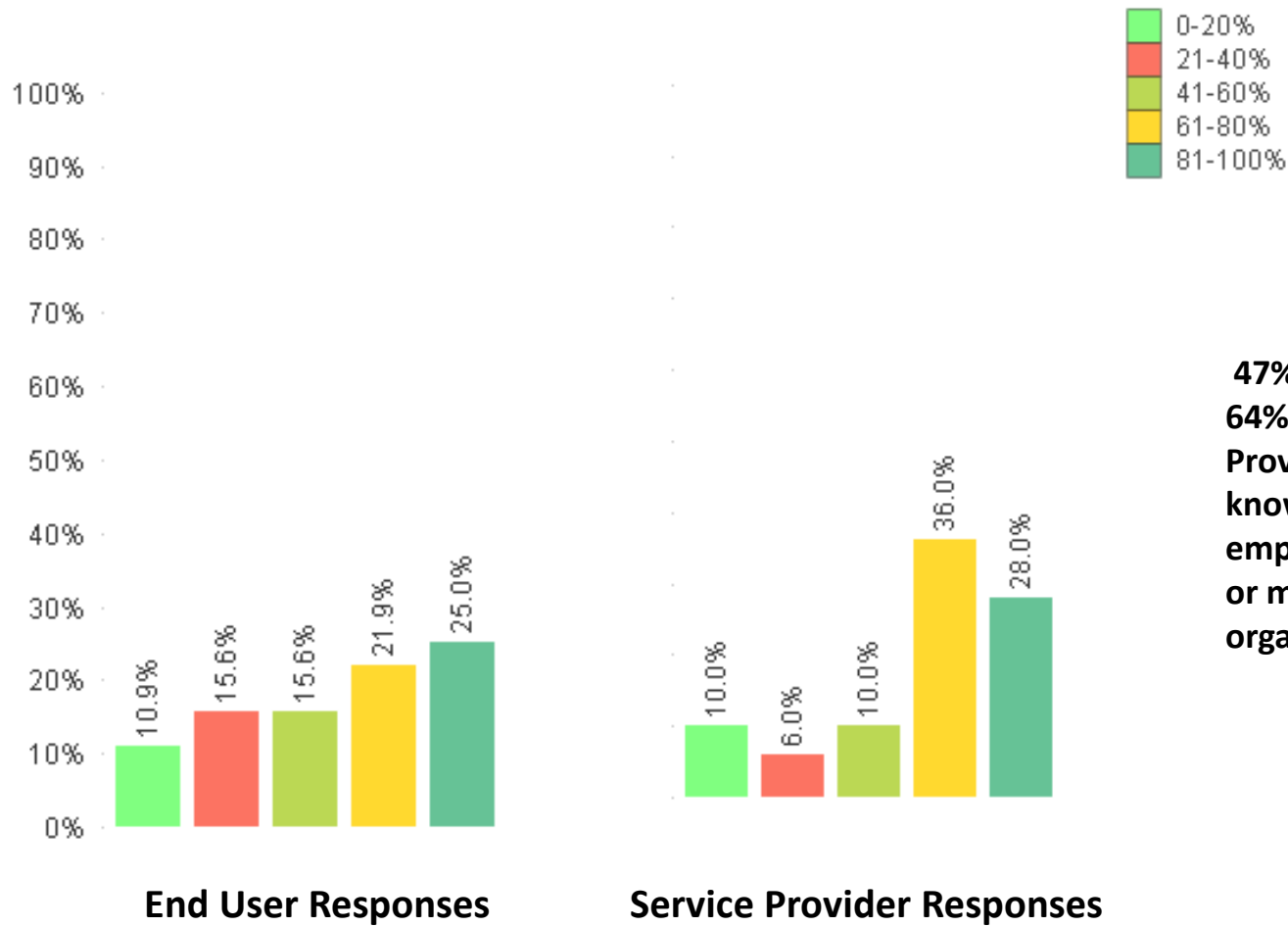
No differences are indicated in measuring perception overall. When viewed by End User vs. Service Provider, Service Providers measure the perception 20-30% more than End Users.

# What percentage of your organization is considered "Knowledge Workers"?



**Overall 54% of the respondents reported over 60% of their employees are considered knowledge workers.**

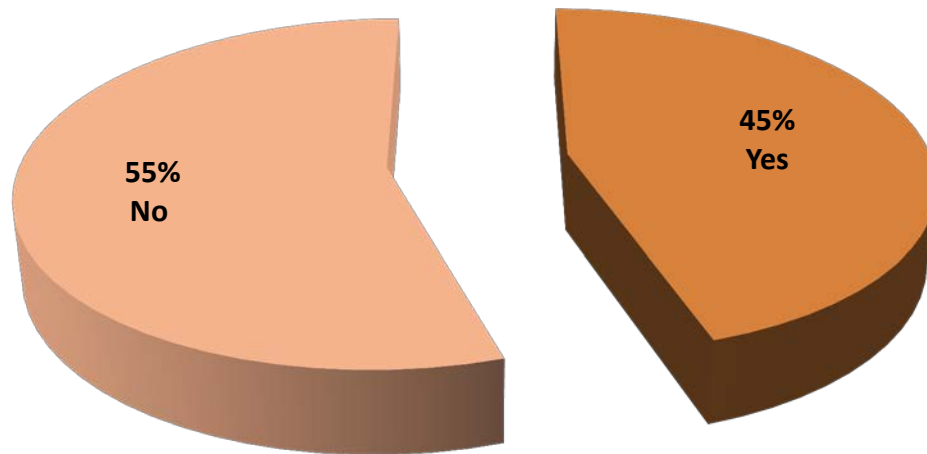
# What percentage of your organization is considered "Knowledge Workers"?



**47% for the End Users and 64% for the Service Providers consider their knowledge worker employees comprising 61% or more of their organization.**

# Do you have measurements in place to track AWS (Mobility) participants?

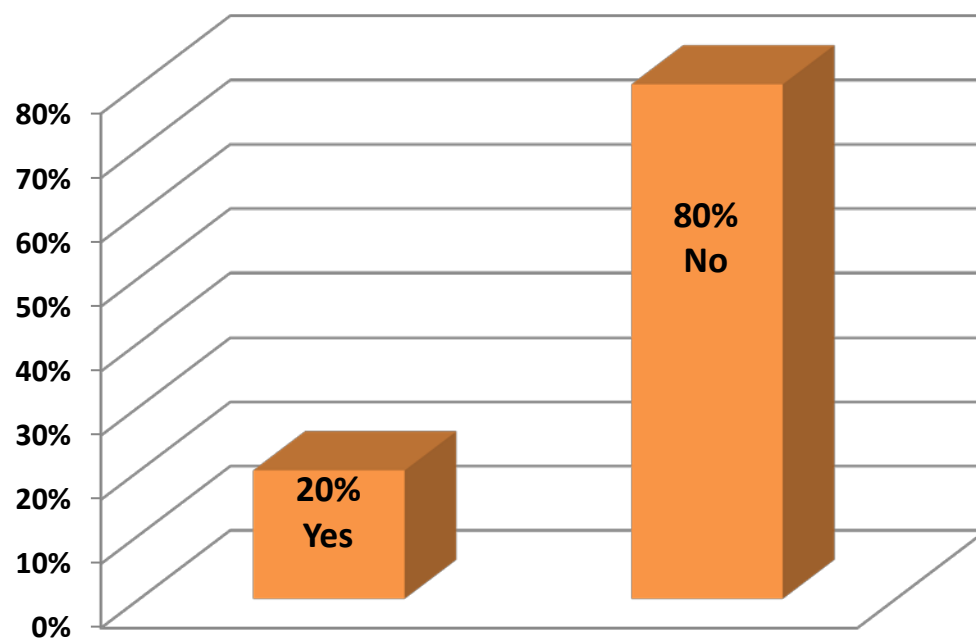
## Overall Responses



**55% of the End Users and 28% of the Service Providers have measurements in place to track AWS participants. Only 1/3<sup>rd</sup> of these track productivity**

# Do you track productivity related to AWS or worker mobility?

## Overall Responses

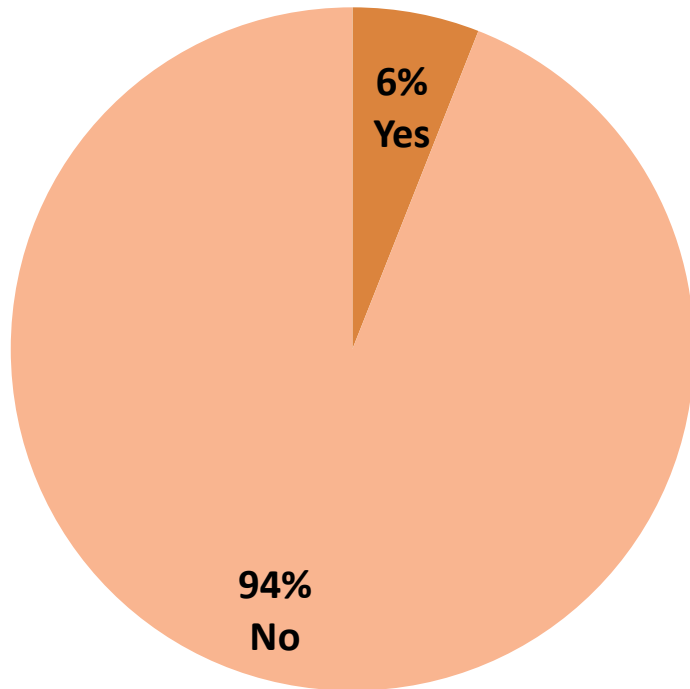


Of the 37% overall that reported they do track productivity, 20% of these companies confirm they also track AWS productivity. The Information and Service Industry End User groups track at higher levels between 19-33%.



# Do you track productivity of AWS (Mobile) employees differently than employees on-site in dedicated seats?

## Overall Responses

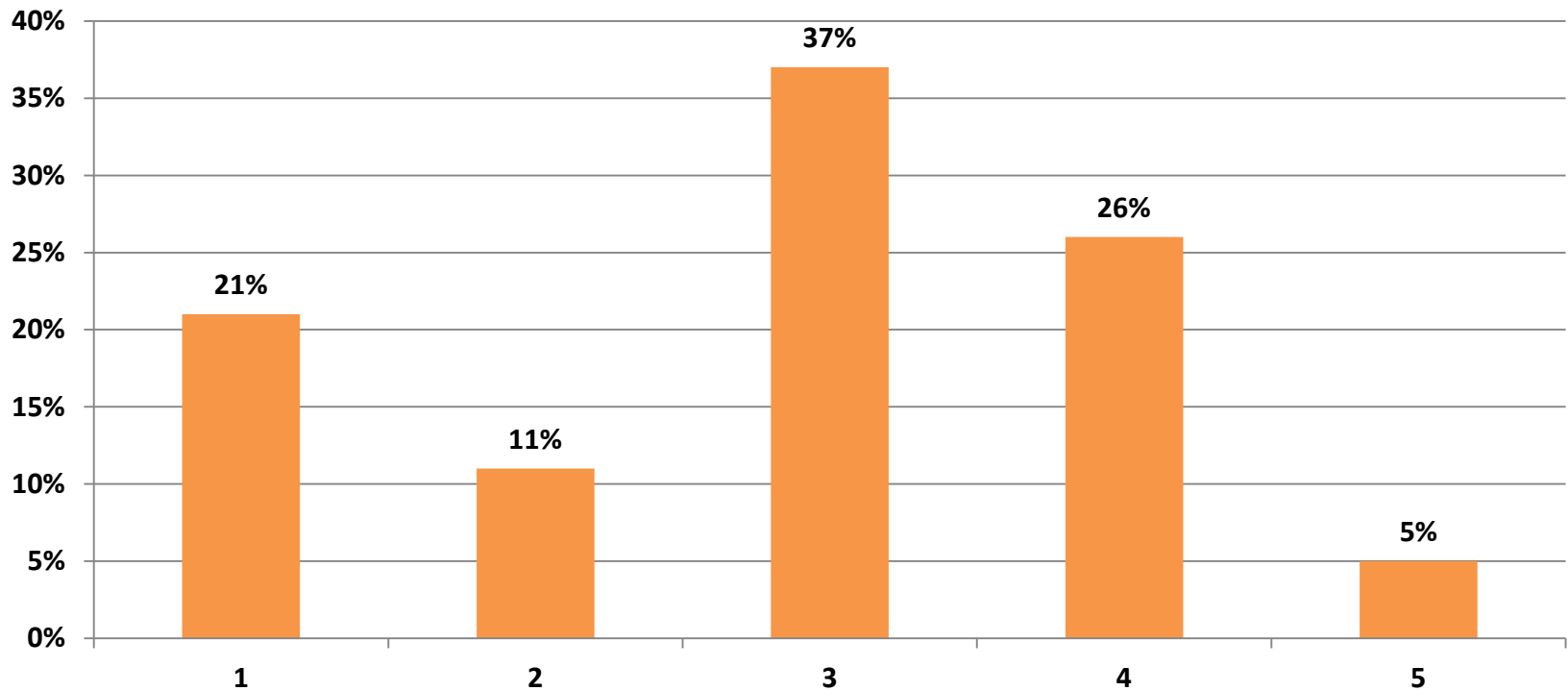


Responses did not reflect material differences in tracking AWS employees vs. employees on-site.

# How would you rank the impact on productivity levels with the adoption of AWS on a scale of 1 to 5?

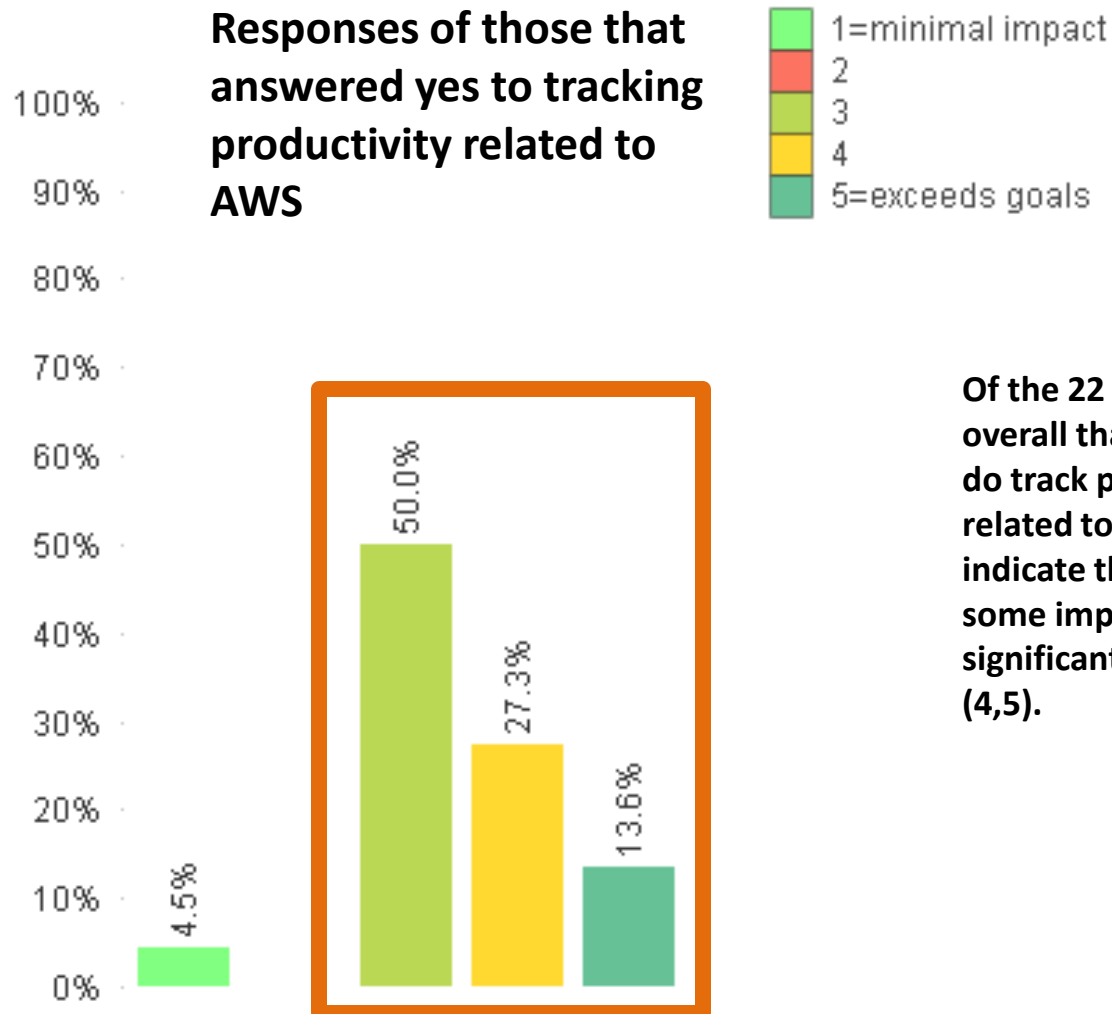
## Overall Responses

1 = minimal impact  
5 = exceeds goals



Majority of responses either see some impact (3) to significant improvements (4,5) at 68% overall.

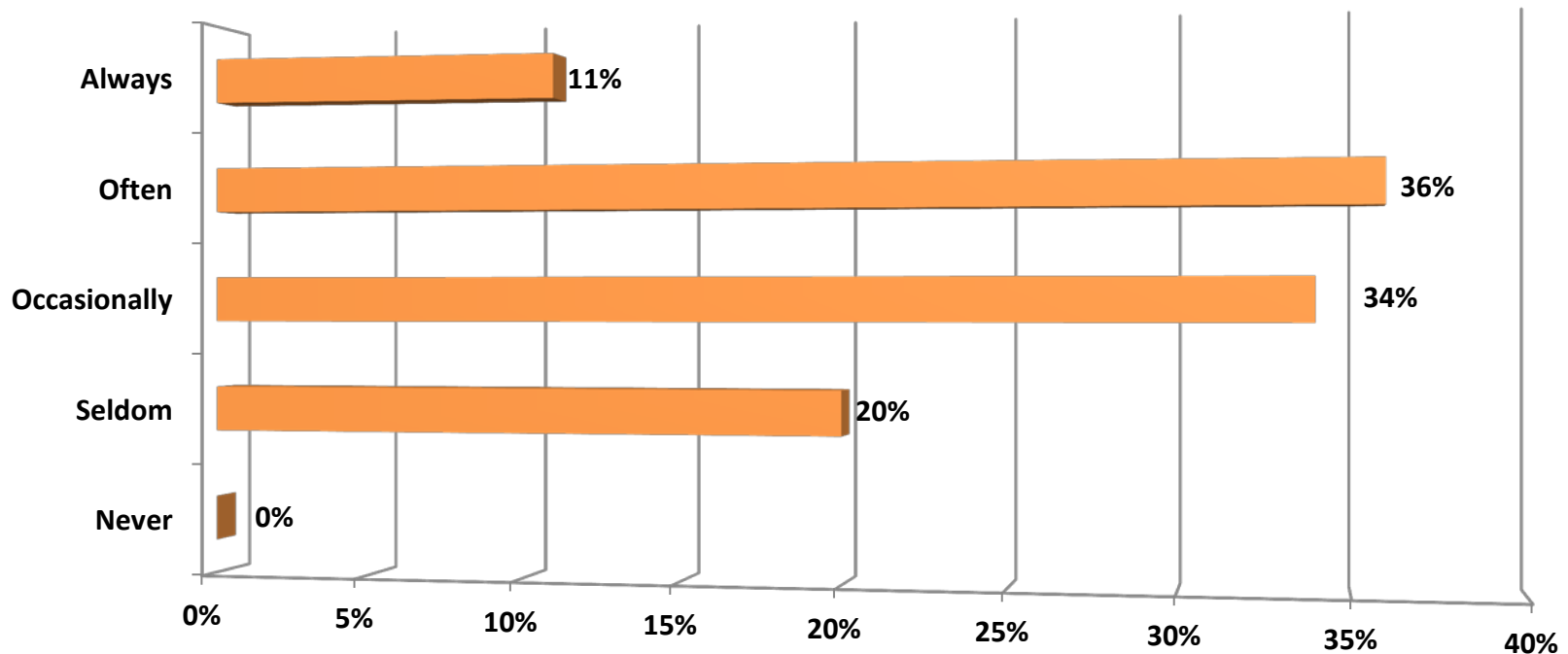
# How would you rank the impact on productivity levels with the adoption of AWS on a scale of 1 to 5?



Of the 22 respondents overall that reported they do track productivity related to AWS, 91% indicate there has been some impact (3) to significant improvements (4,5).

# Do you consider your organization innovative in the use of new technology to improve productivity?

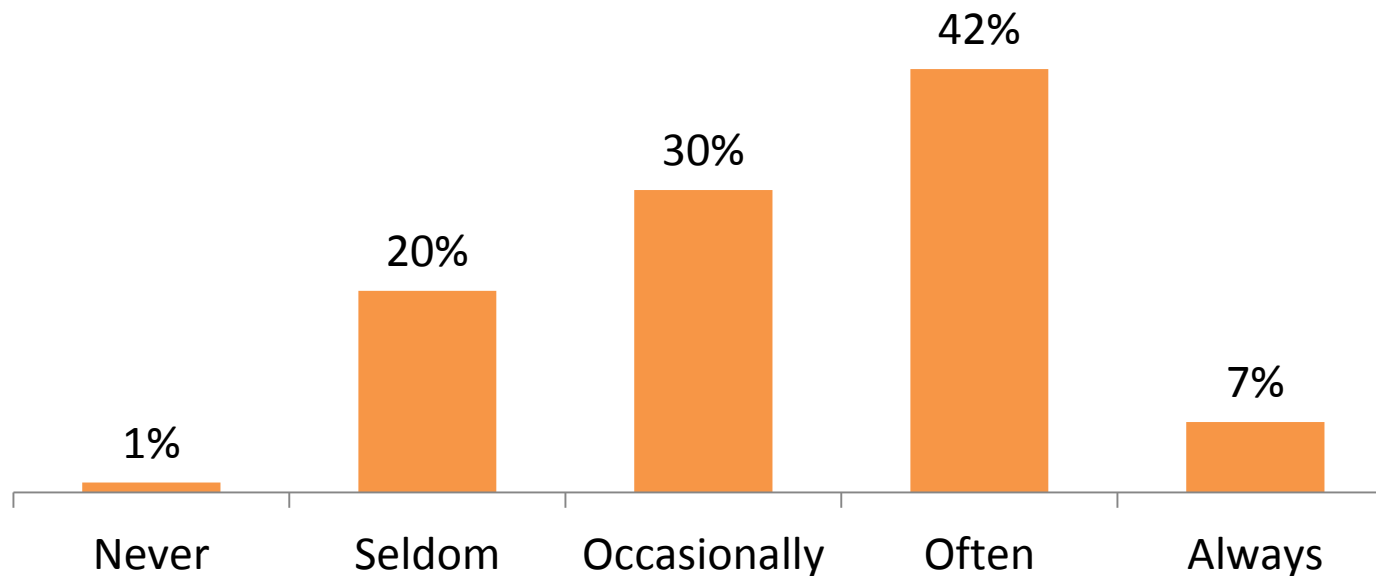
## Overall Responses



**Overall 47% responded “Always and Often” as an organization that is innovative in the use of new technology to improve productivity, Service Provider reported 54% and End Users reported 39%.**

# Do you provide sufficient training for the use of new technology?

## Overall Responses

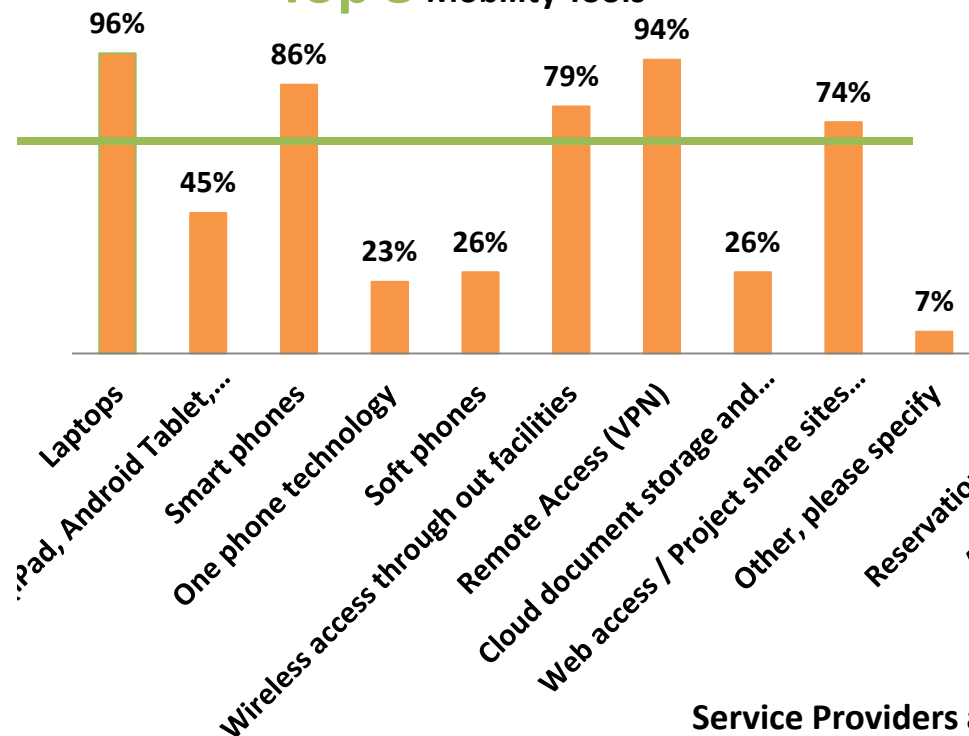


**Overall 49% report they provide sufficient training for the use of new technology “Often and Always.” End Users in the Information industry are more likely to provide more training more often.**

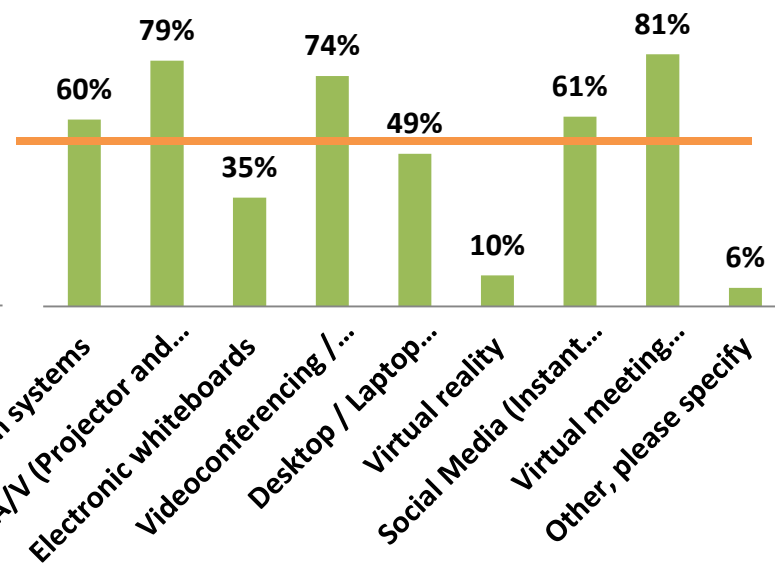
# Please select all the tools CRE promotes as currently impacting productivity in the workplace?

- Mobility** - "devices that support the ability to work from anywhere"
- Collaboration** - "devices and technology that promote more productive virtual meetings and communication"

## Top 5 Mobility Tools



## Top 5 Collaborative Tools



Service Providers are slightly more progressive in utilizing tools that impact productivity in the workplace, with the Information and Services industries at the highest rates of adoption.

### Other Tools currently impacting productivity

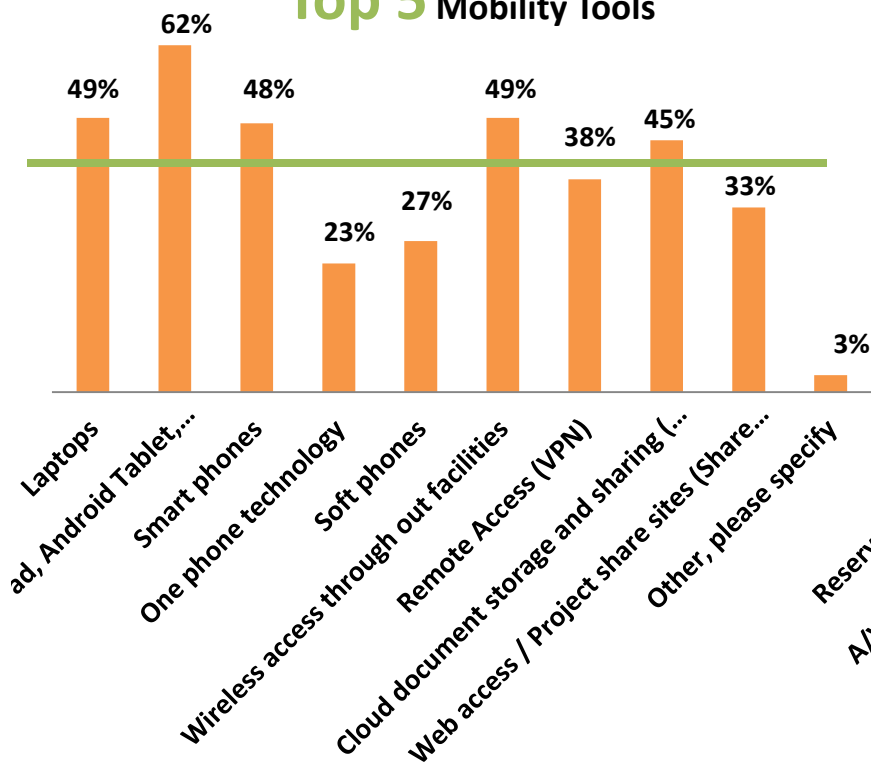
- Follow me printing
- ThinClient
- Lync, Instant messaging

# Please select all the technologies CRE is considering to improve productivity

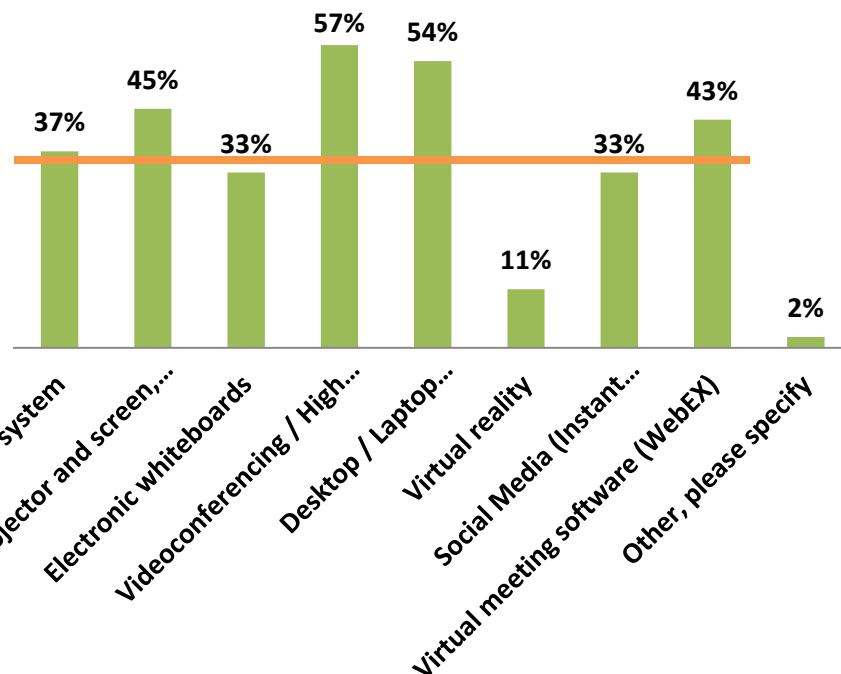
**Mobility** - "devices that support the ability to work from anywhere"

**Collaboration** - "devices and technology that promote more productive virtual meetings and communication"

## Top 5 Mobility Tools



## Top 5 Collaborative Tools



### Other Tools currently impacting productivity

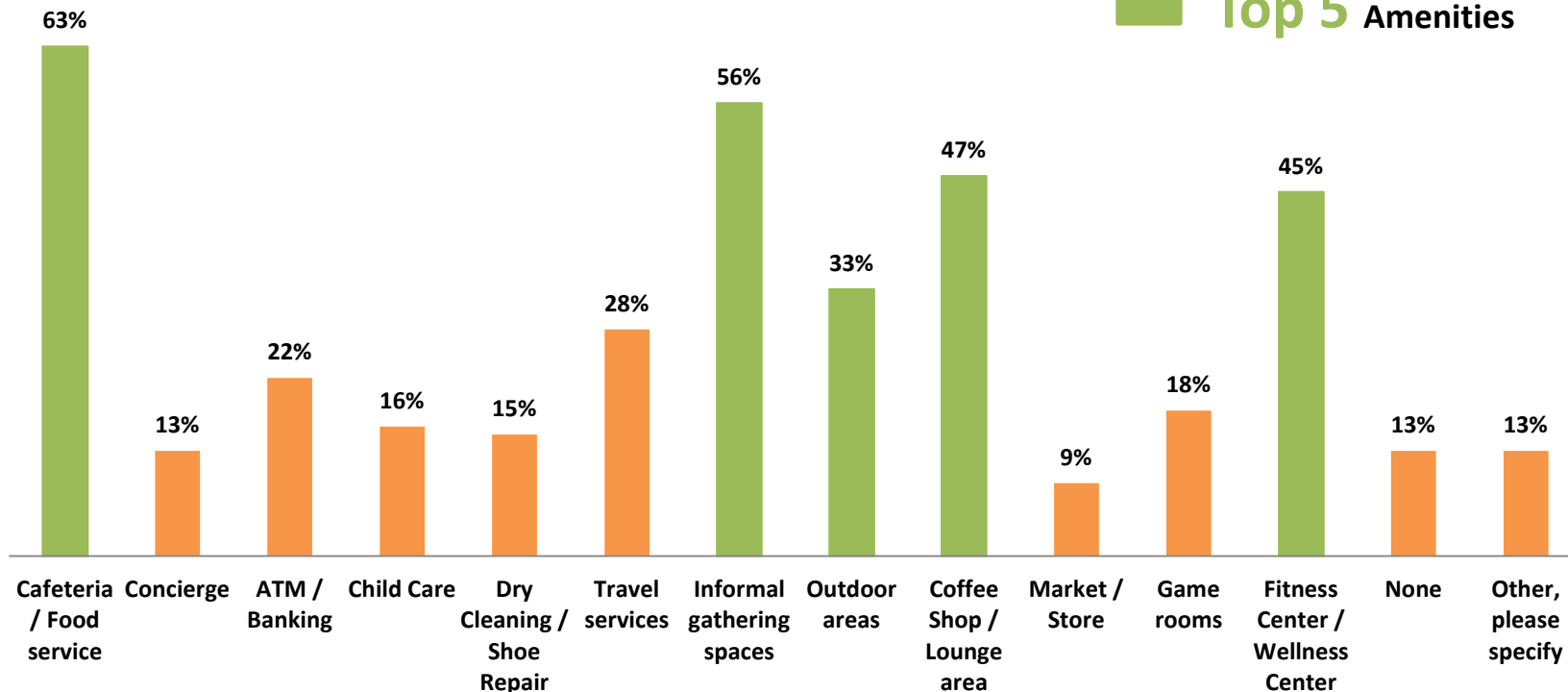
- Changepoint from Compuware
- Communicator, Life Meeting, Telepresence
- Social Media
- Lync

Newer technologies show the highest levels of consideration.

# What workplace amenities have contributed to increased productivity?

## Overall Responses

■ Top 5 Amenities



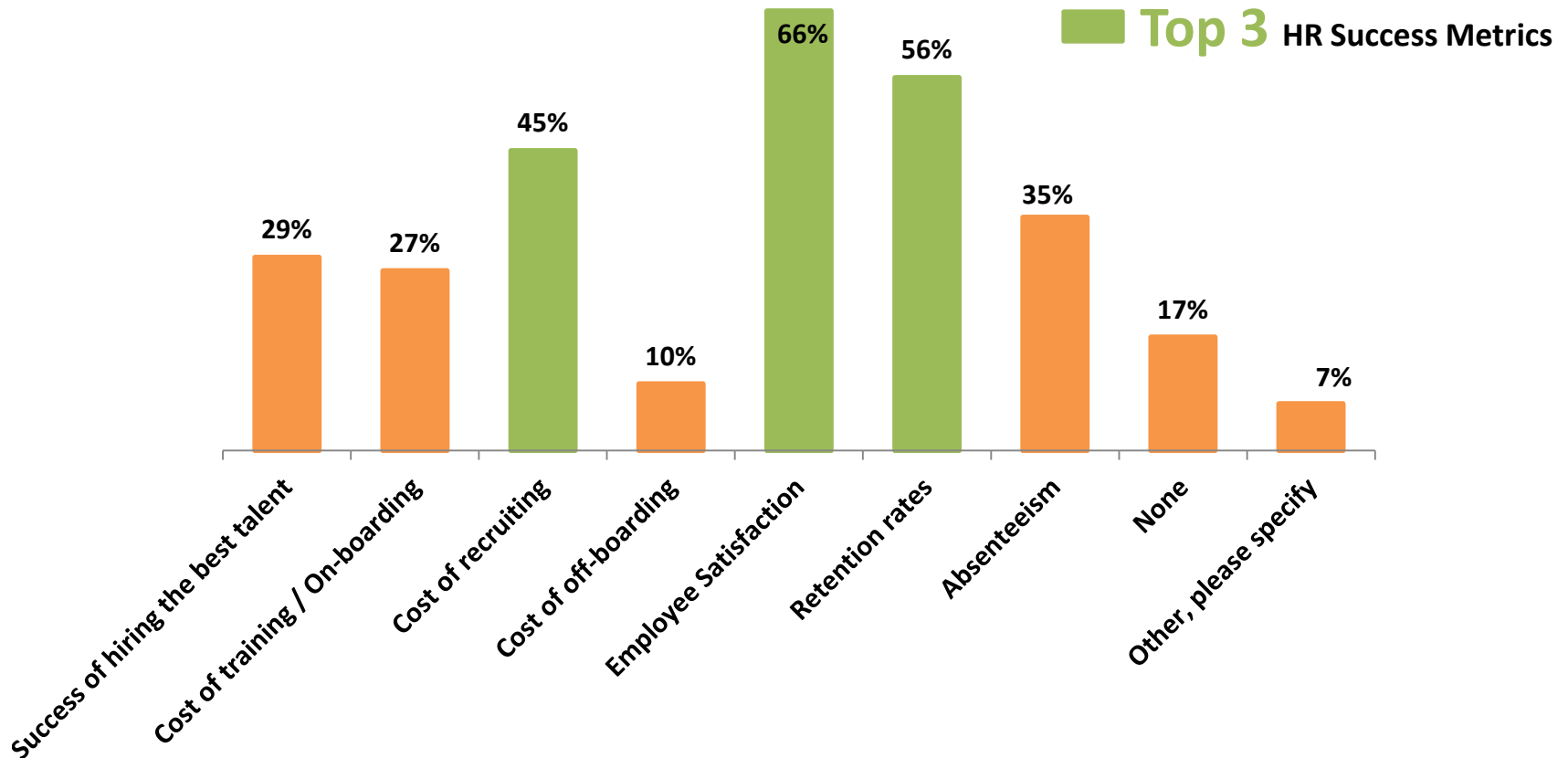
### Other Amenities that have contributed to increased productivity

- Variety of settings (standing height workstations)
- Sound masking



# Select all the HR success metrics you measure and monitor?

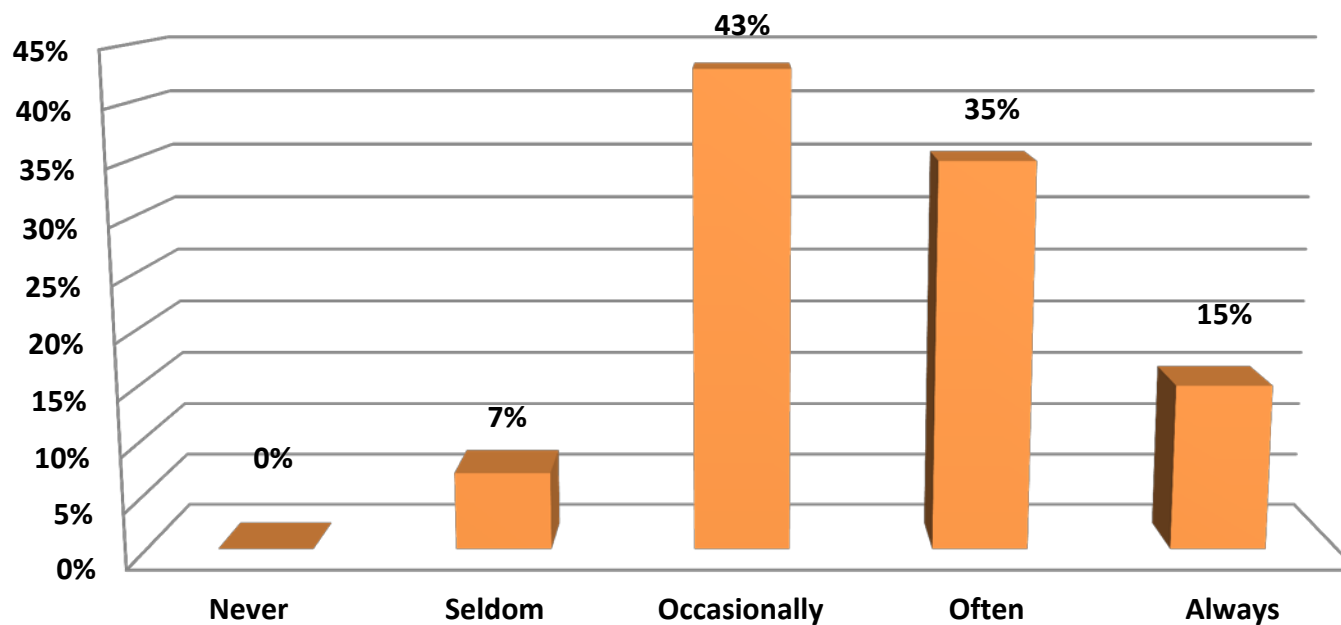
## Overall Responses



**Comments from Respondents:** Most were of the opinion that these metrics were measured by HR and not by CRE

# Do your physical and virtual work environments support flexibility?

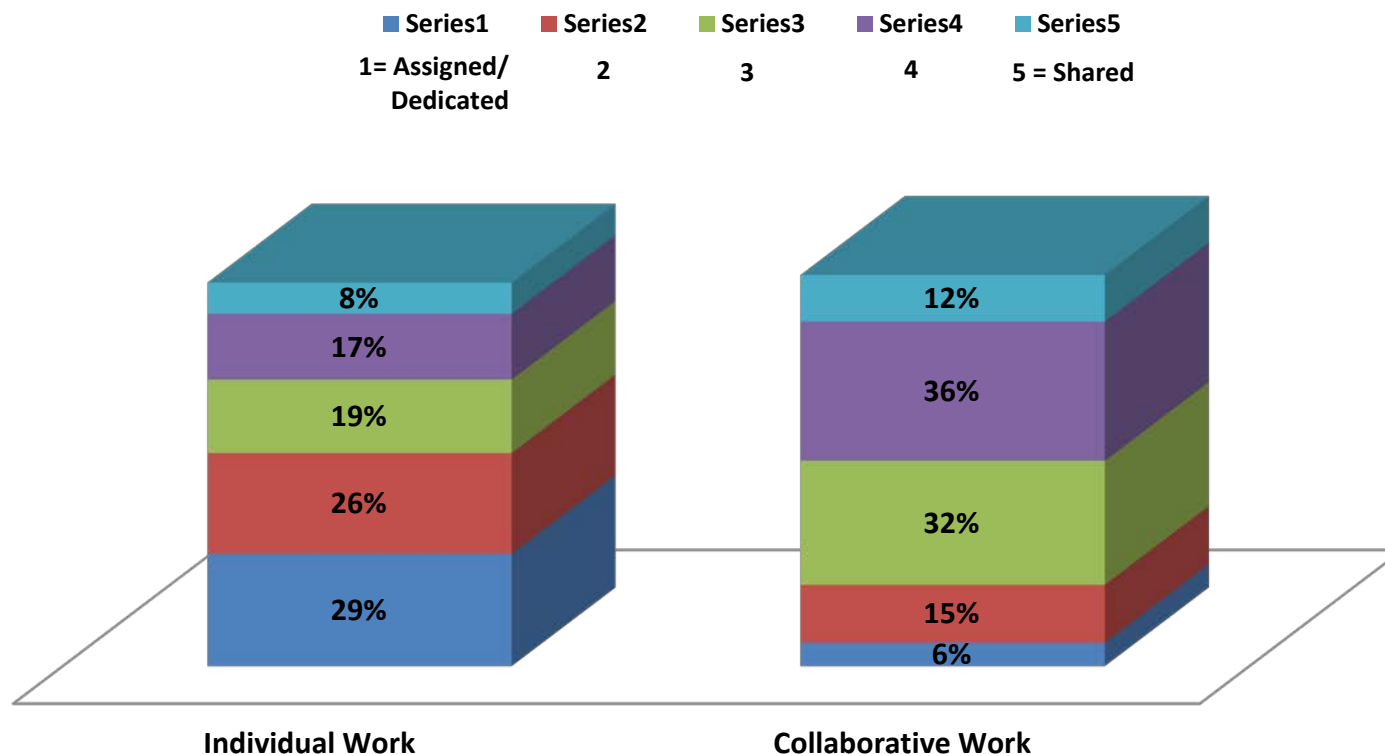
## Overall Responses



**93% Overall indicate the physical and virtual work environment support flexibility "Occasionally, Often and Always"**

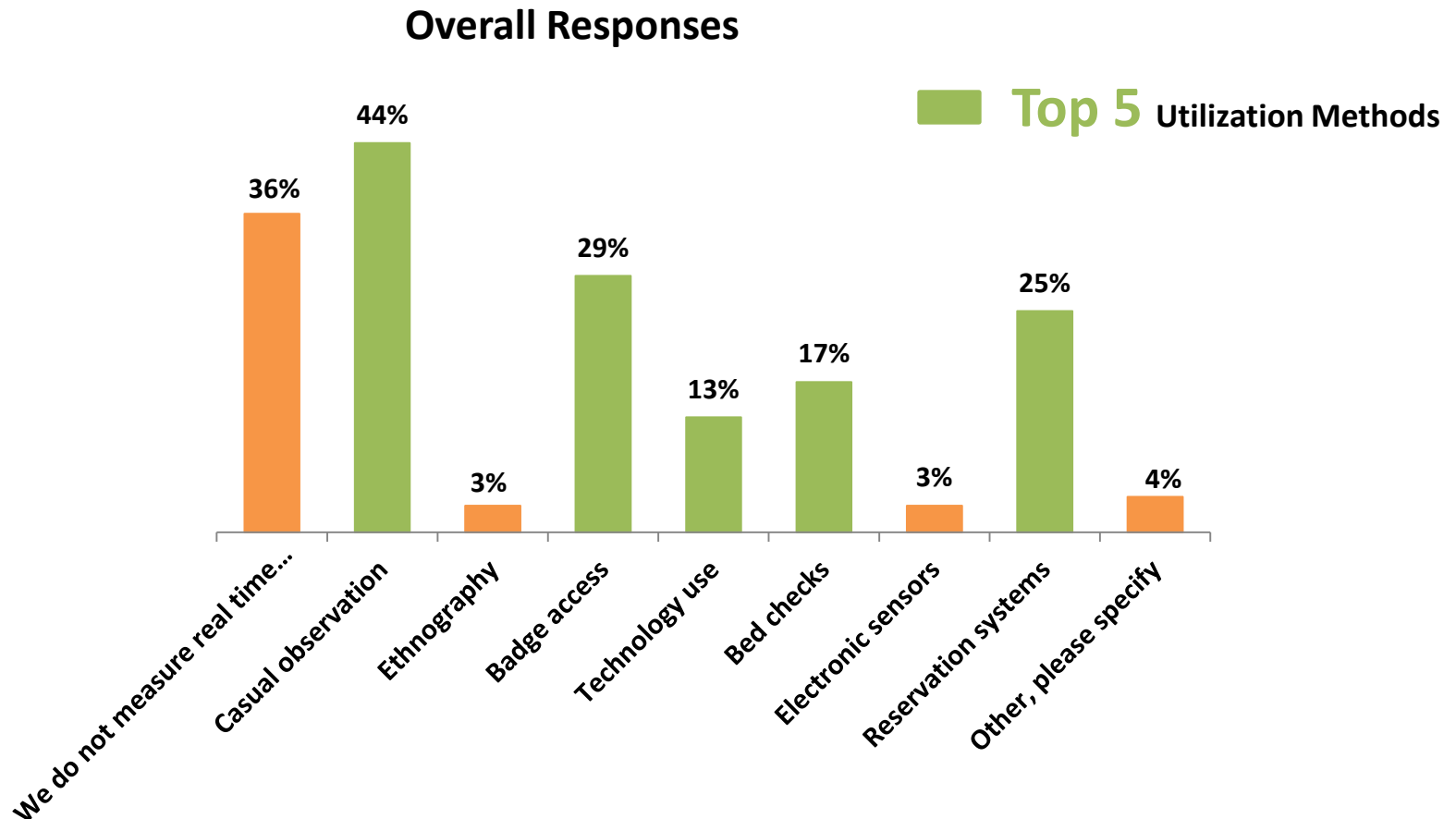
# How would you describe your office environment from an assigned / dedicated or open / shared perspective?

## Overall Responses



**Overall, 54% of Individual work is in level 1-2 Assigned / Dedicated space and 21% for Collaborative space. The Information Industry respondents indicated the lowest levels of dedicated space at 11% and 0% dedicated collaborative space.**

# Please select the methods you use to measure real-time utilization of your individual and collaborative work areas?

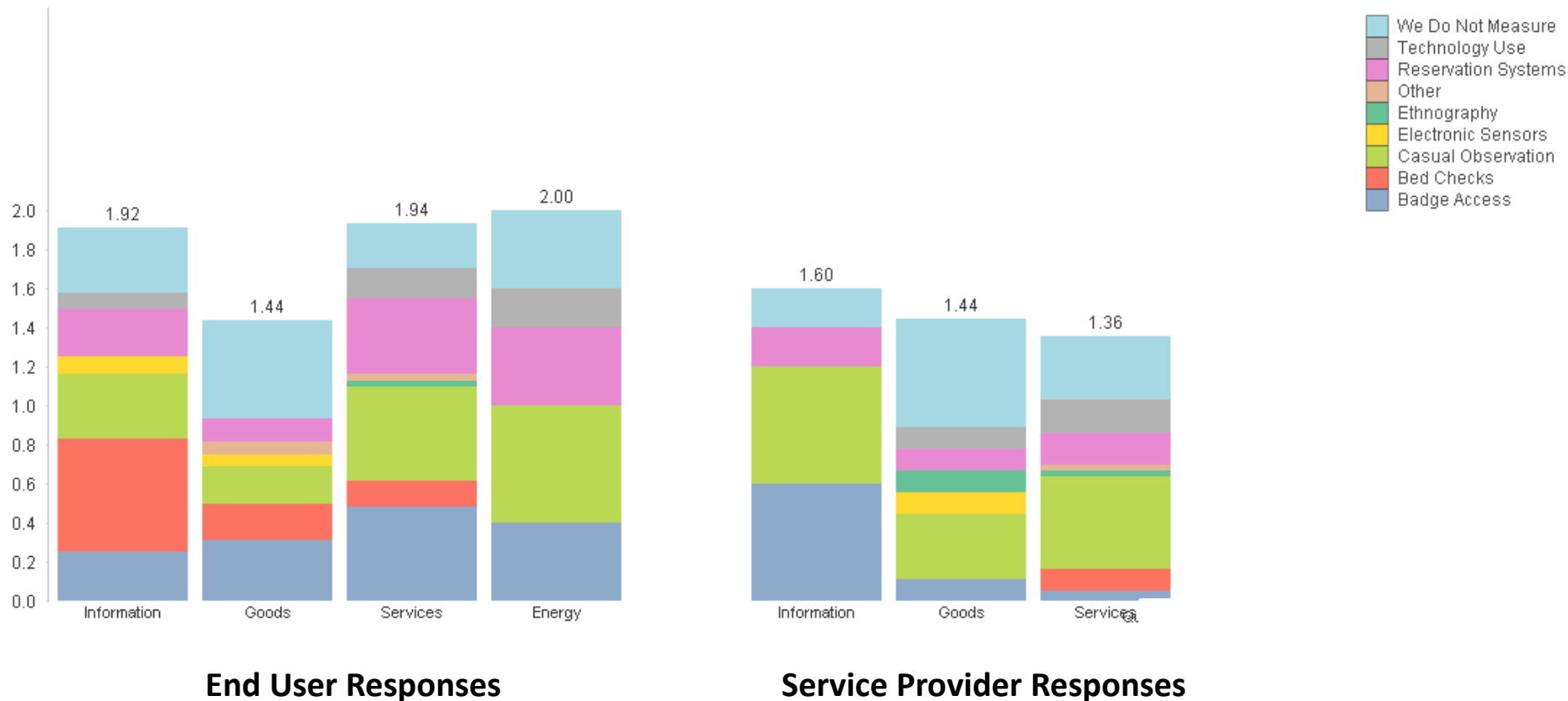


## Other methods used in tracking real-time utilization

- Monthly follow-up on desk allocation

36% do not perform real-time utilization studies.

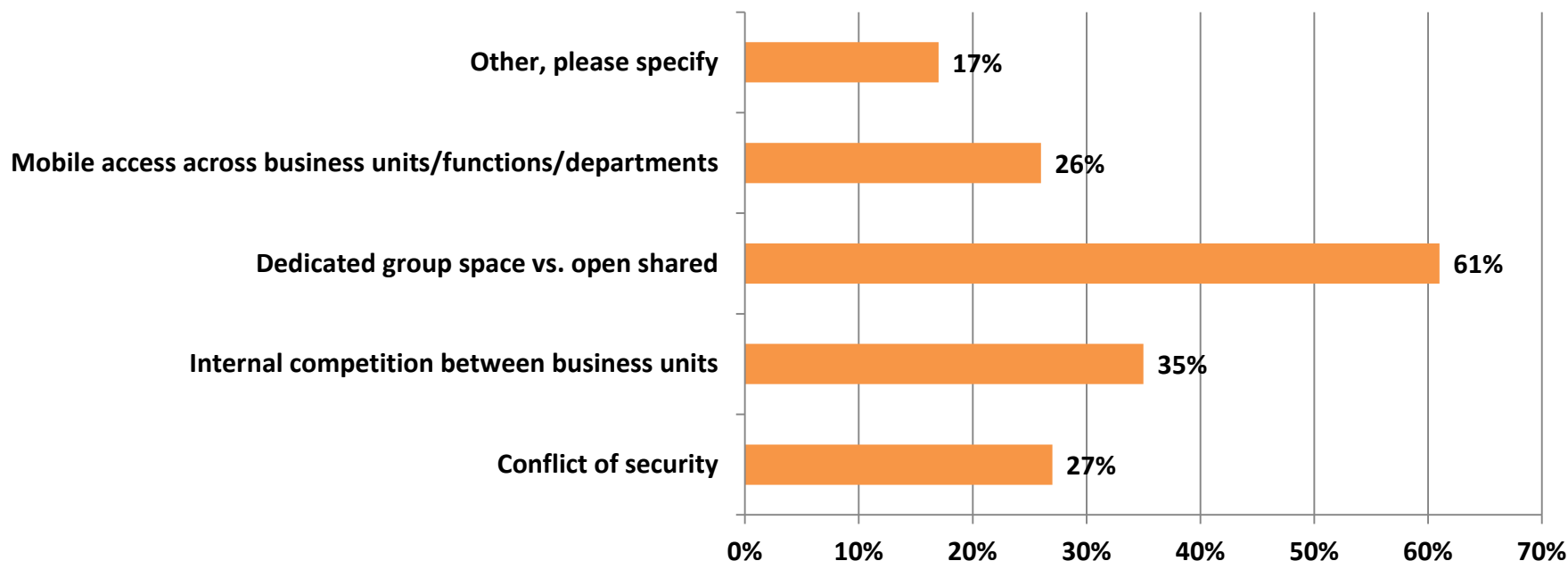
# Please select the methods you use to measure real-time utilization of your individual and collaborative work areas?



**End Users in the Information Industry utilize the bed check methodology extensively while the Service Provider in the information Industry does not relying on Badge Access and Casual Observation**

# Please identify impediments you see with cross-functional/ departmental collaboration.

## Overall Responses

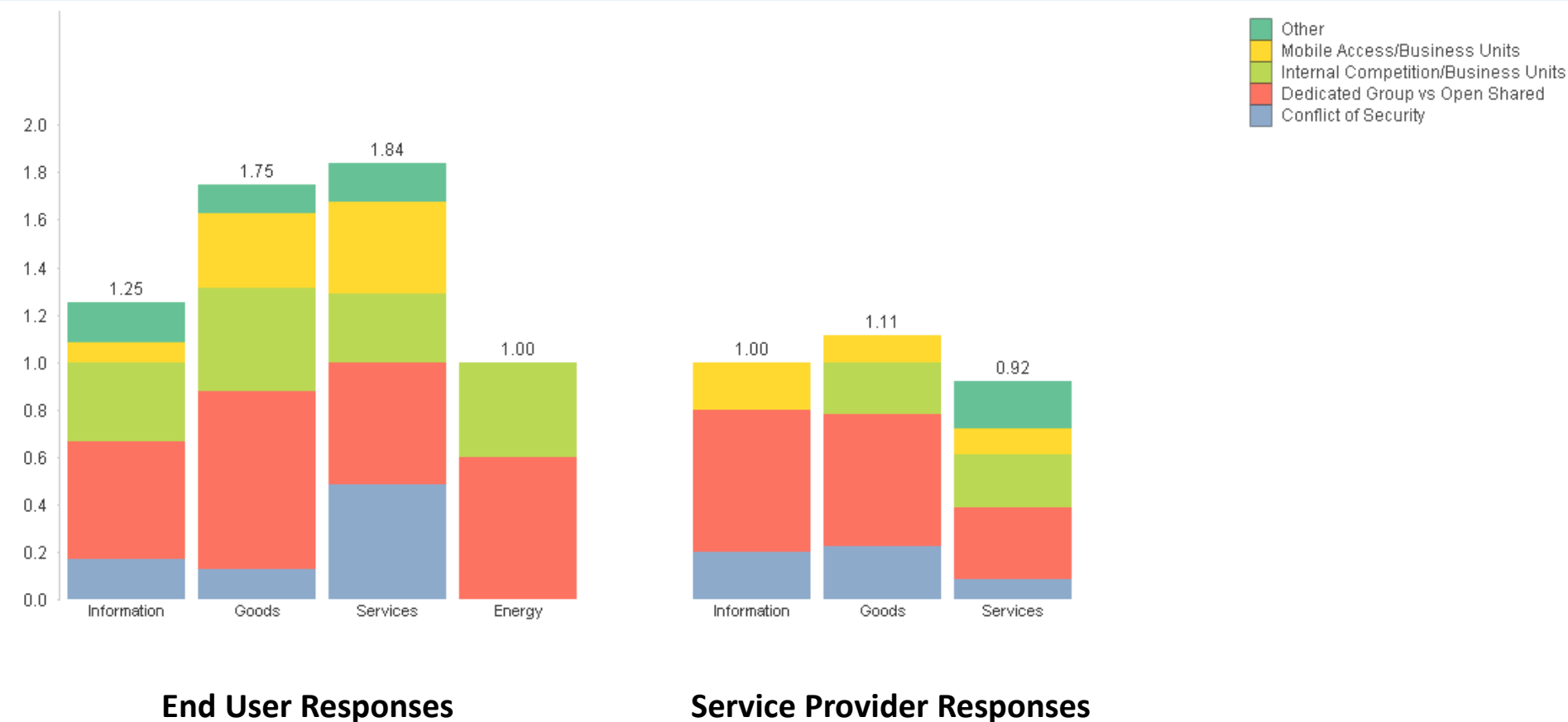


### Other impediments with departmental collaboration

- Different market sectors of business units
- Differing objectives and priorities
- Distance and time zone differences
- Document Storage
- Entitlement Cultures

**The most significant impediment identified is dedicated group space vs. open shared**

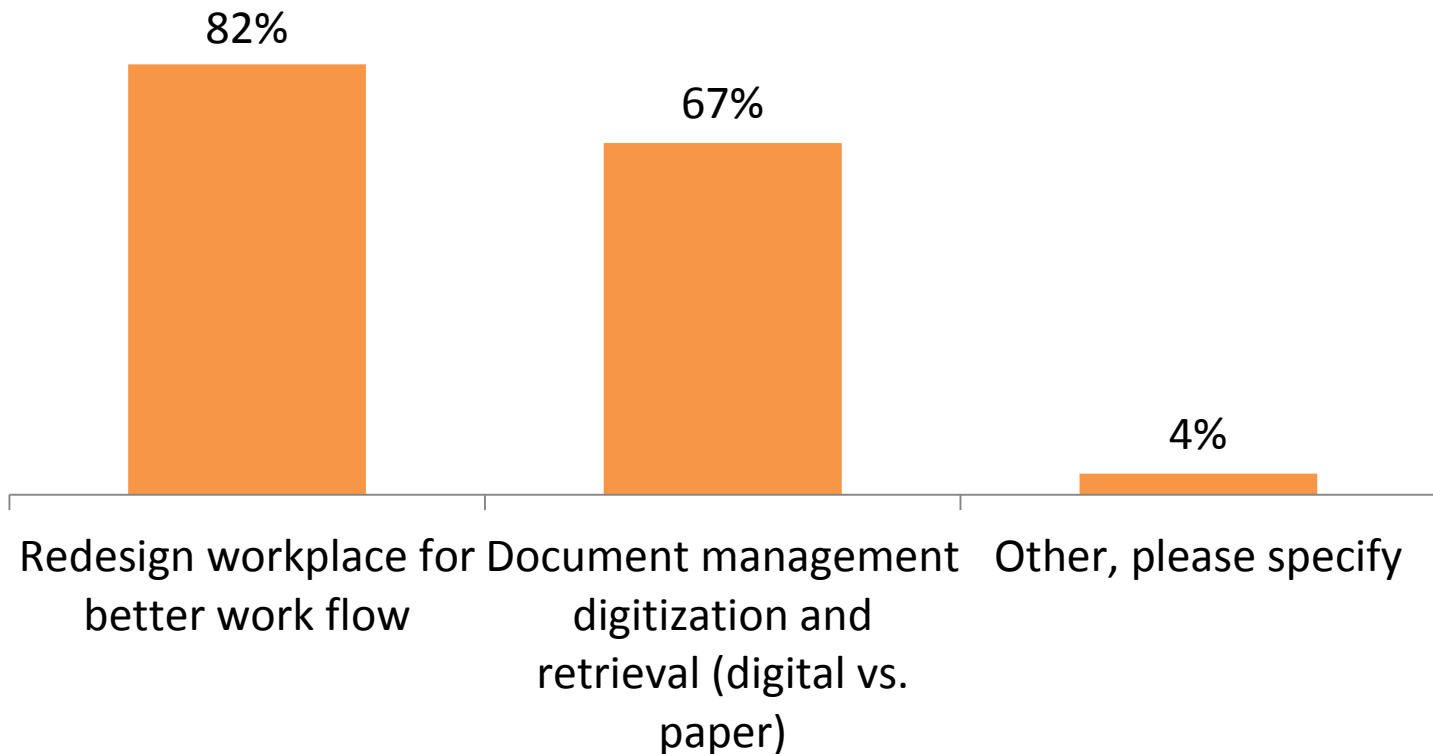
# Please identify impediments you see with cross-functional/ departmental collaboration.



**End Users Services Industry reflects a high response indicating a Conflict of Security as a leading impediment to cross-functional / departmental collaboration.**

# Which of the following strategies would help you achieve better productivity, please select all that apply:

## Workflow and Functional Adjacency Strategies

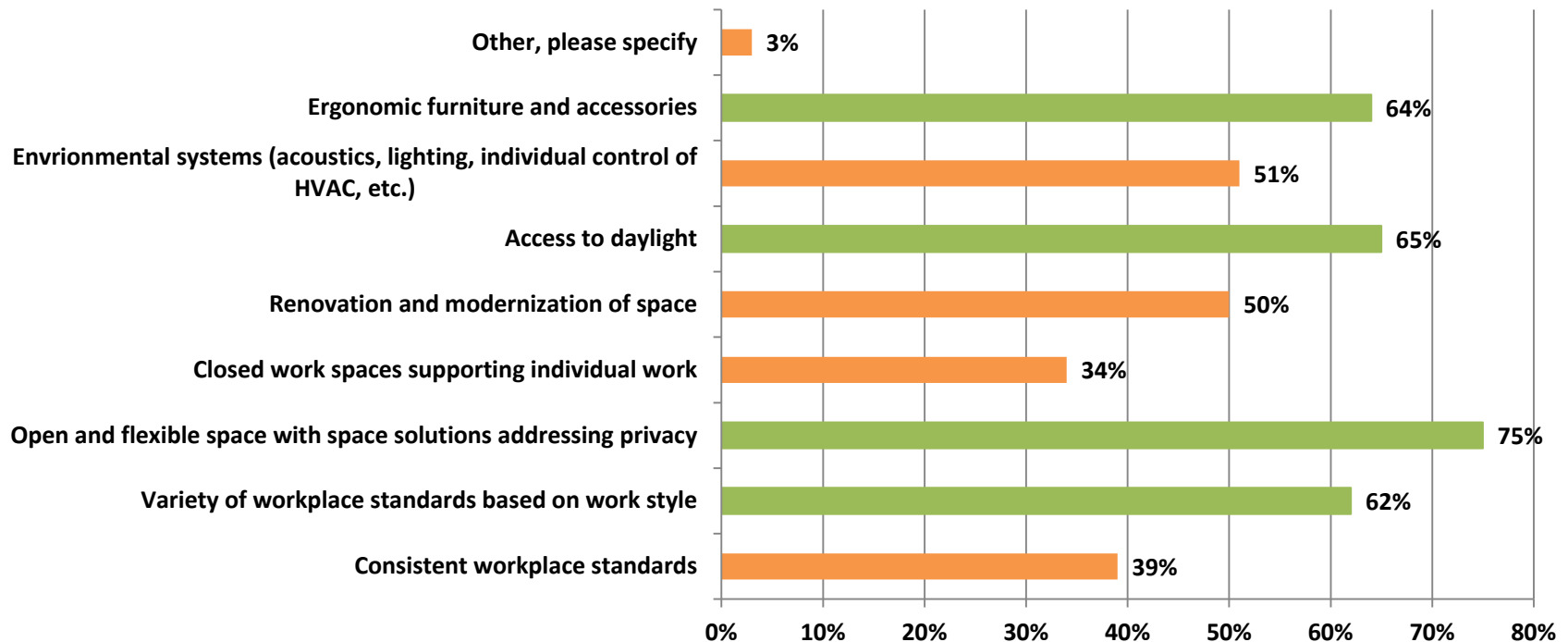




# Which of the following strategies would help you achieve better productivity, please select all that apply:

## Workplace Environment Strategies

**Top 4 Strategies**

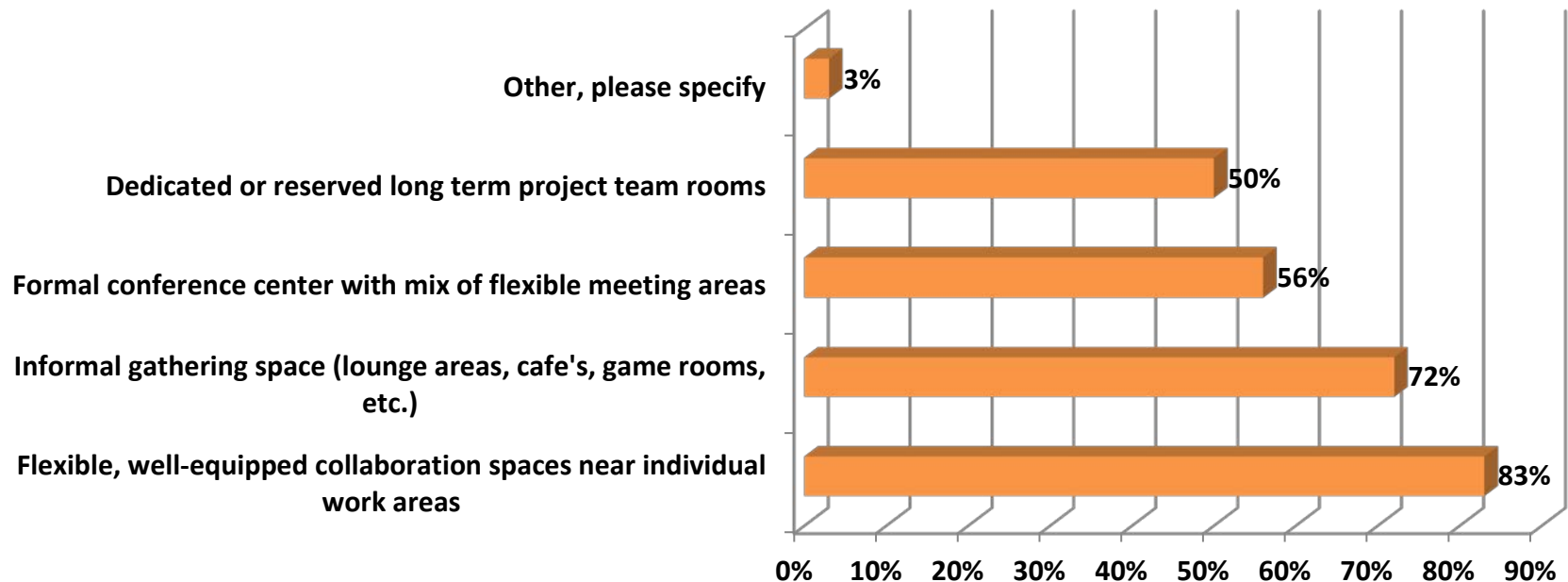


### Other workplace strategies to improve productivity

- Culture change strategy
- Ample parking

# Which of the following strategies would help you achieve better productivity, please select all that apply:

## Collaborative Environment Strategies



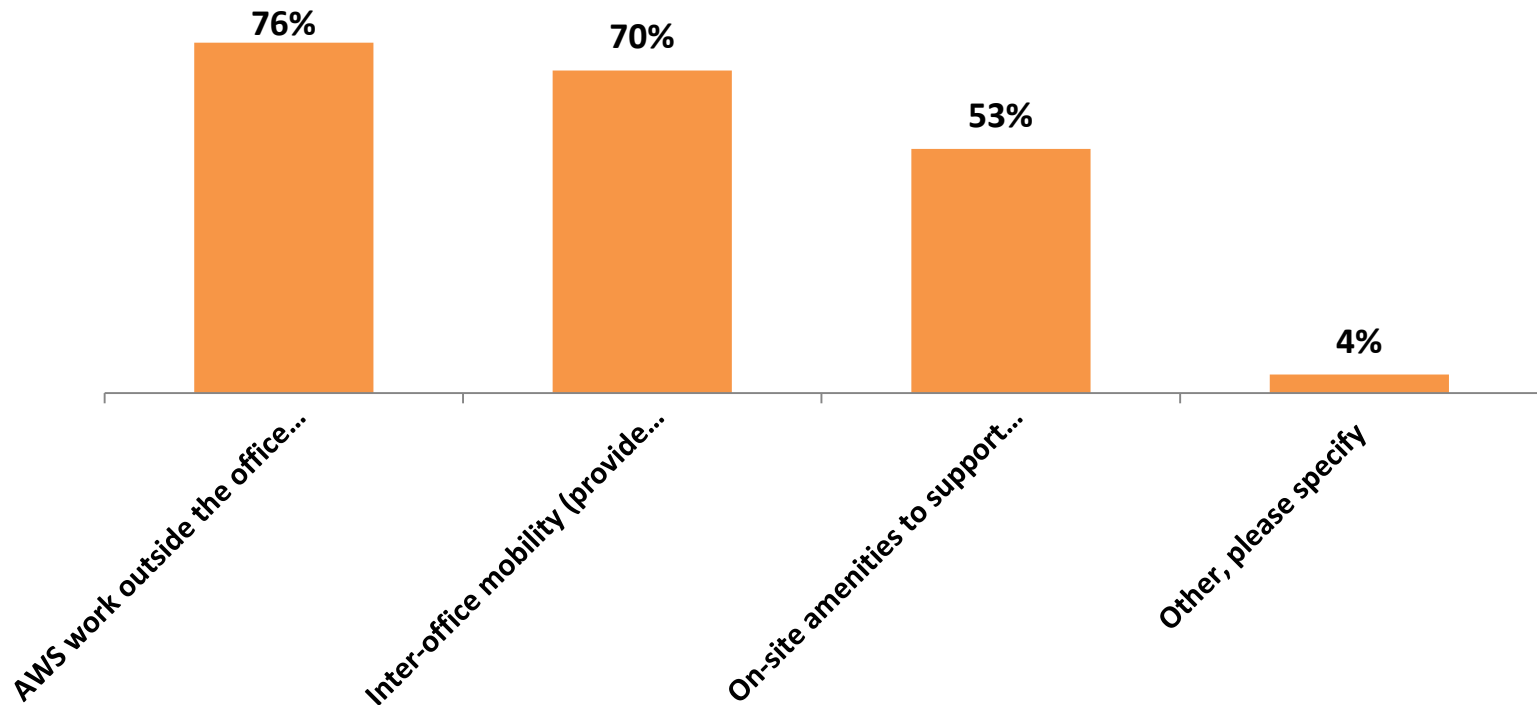
### Other collaborative environment strategies:

- Informal meeting areas in workstation pods
- More conference rooms
- Neighborhoods of groups between 35-50

# Results

# Which of the following strategies would help you achieve better productivity, please select all that apply:

## Mobility with the Ability to Work from Anywhere Strategies

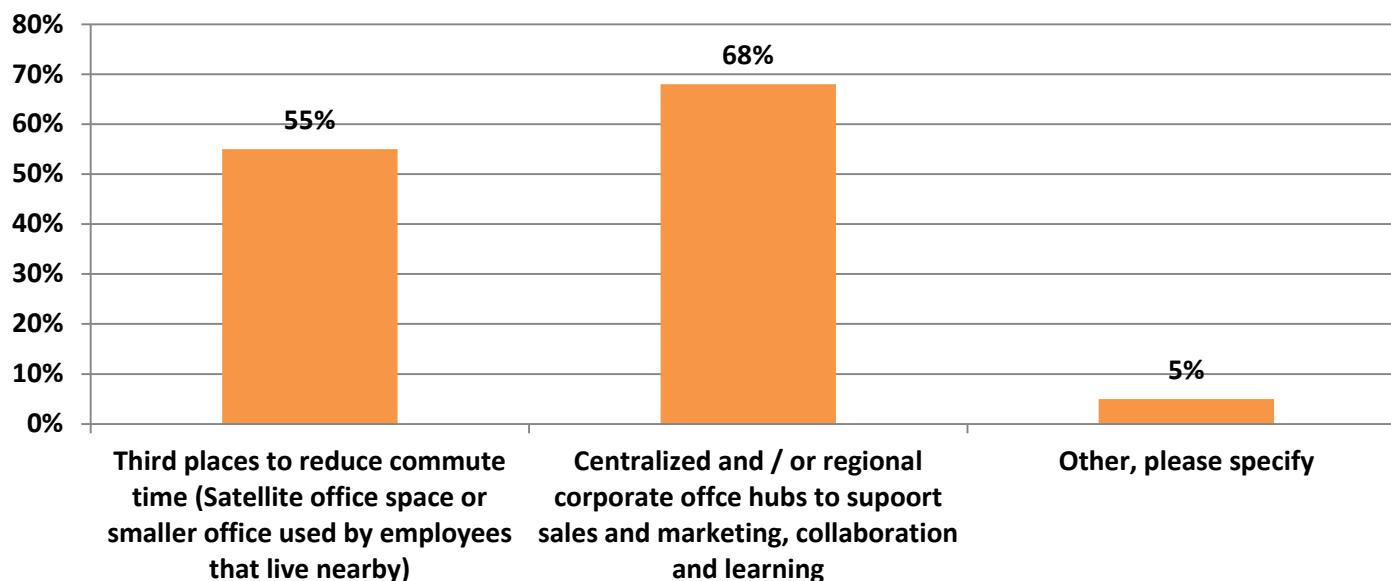


### Other mobility strategies to improve productivity

- Additional repeaters to support cell coverage
- HR policies and management training for mobility

# Which of the following strategies would help you achieve better productivity, please select all that apply:

## Location Strategies

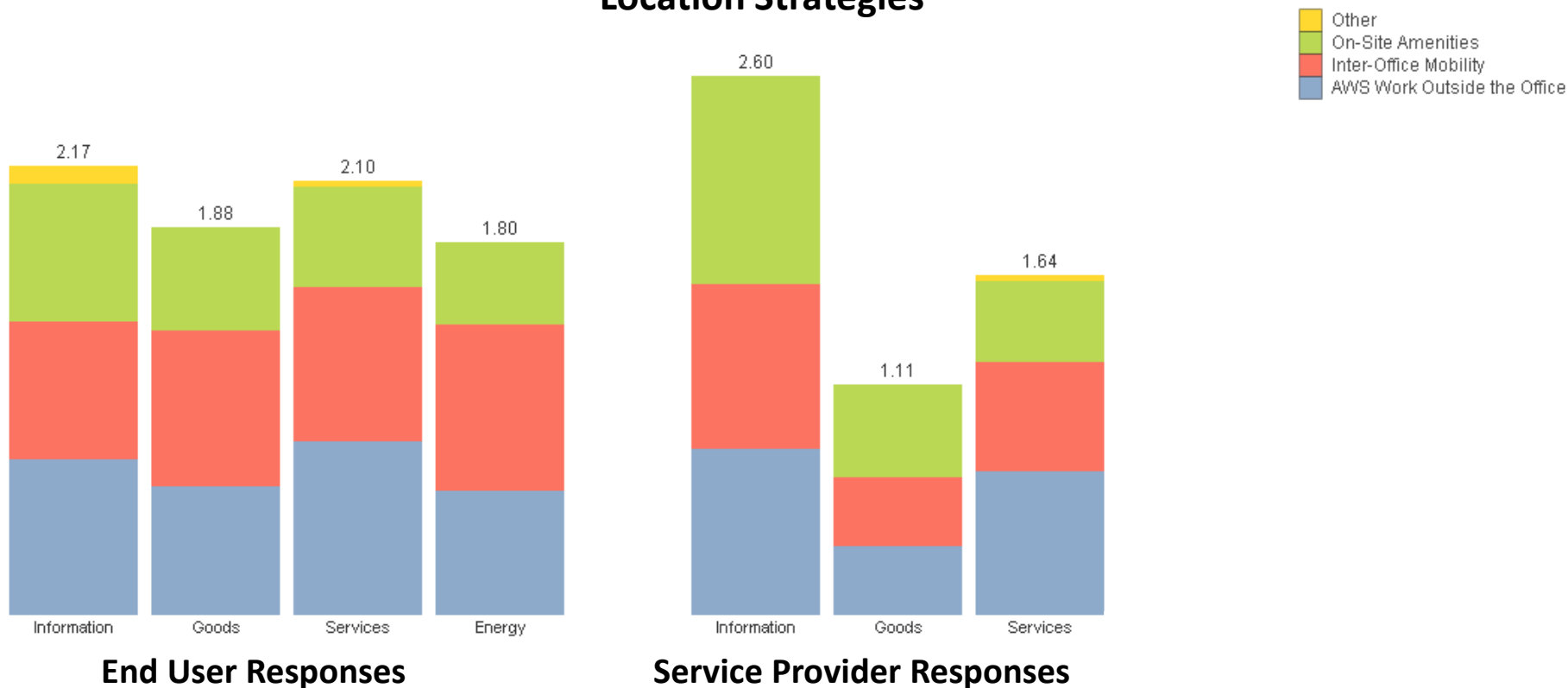


### Other location strategies improving productivity

- Expansion / adoption of AWS across workforce
- External owned third locations
- Working from home
- Provide necessary equipment and furniture at home sites

# Which of the following strategies would help you achieve better productivity, please select all that apply:

## Location Strategies



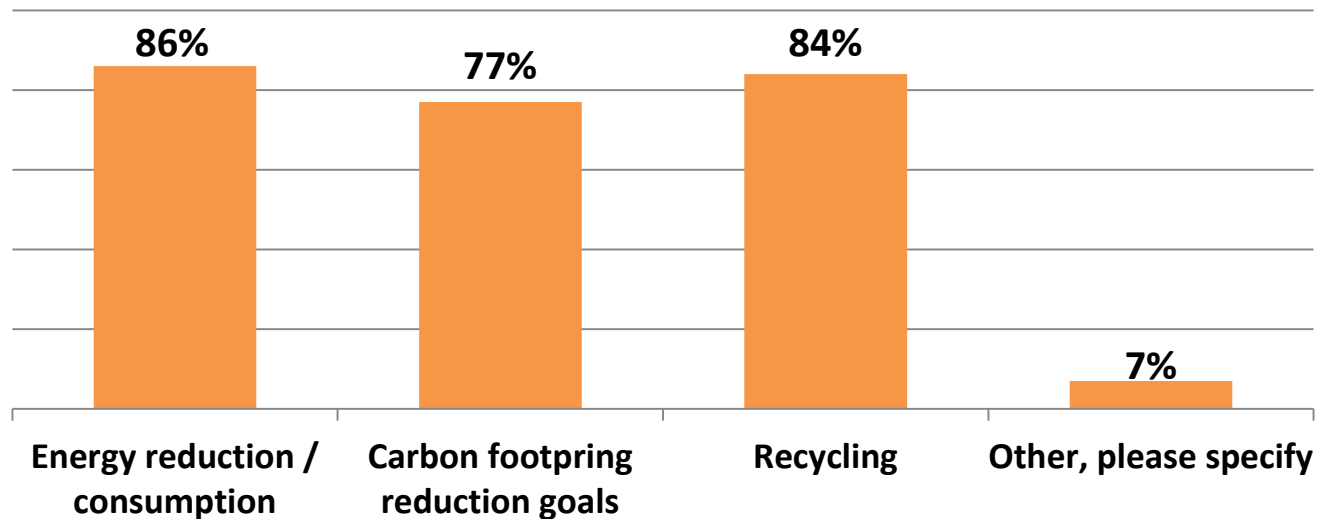
### Other location strategies improving productivity

- Expansion / adoption of AWS across workforce
- External owned third locations
- Working from home
- Provide necessary equipment and furniture at home sites

**Service Providers in the Information industry demonstrate the highest priority in On-Site Amenities. Service Providers in the Goods industry lag in general.**

# Which of the following strategies would help you achieve better productivity, please select all that apply:

## Environmental Strategies



### Other environmental strategies impacting productivity:

- Composting
- Print reduction
- Proper education on Green initiatives so “green washing” doesn’t come into play
- Contracting with environmentally friendly vendors
- Solar projects

Please describe any productivity improvement strategies you are considering in the next few years?

**A sample of the responses that we received:**

- Better and Increased use of Smart Phones, Tablets, Laptops, more Video/Skype meetings
- Workplace redesign with the aim of Increased collaboration
- Increased Lighting, guidelines for furniture
- Hoteling options for mobile workers, instead of a duplicated assigned space
- Operational Efficiencies and Systemization
- Complete migration to the Cloud, fully wireless office, improved documentation of previous projects for future reference
- Measuring Knowledge Work outputs
- Smaller workspaces due to increase in number of teleworkers and shared jobs

# Salient Points

63% of our respondents said that they measure how the workplace impacts corporate office staff productivity

61% said that Real Estate and Facilities always have an impact on organizational productivity

Non-financial and RE related Key Performance metrics that are regularly measured are:

- 75% measure employee satisfaction
- 56% measure both Environmental Impact and Customer Satisfaction

What areas of Revenue Growth areas do Real Estate and Facilities Strategies have an impact on –

- 68% thought it increases innovation and idea generation
- 65% thought RE and Facilities don't support Revenue Growth

What areas of Operational Improvement areas do Real Estate and Facilities have an impact on –

- Over 80% indicated each of the following – Expense Reduction/Control, Increased Employee Satisfaction, Improved Facilities

Is the perception of employee productivity measured:

- At the individual employee level – 53%
- At the Business Function level – 58%
- At the Corporate Level – 54%

76% of respondents said 50% of more of their employees are Knowledge Workers

80% said that they don't measure productivity related to AWS or worker mobility

94% track the productivity of onsite and AWS workers in the same way

36% feel that the organization is innovative in its use of technology to improve productivity

Technology tools that are *currently used to enable workers to work from anywhere*: Laptops and VPN are the most popular, followed by Smartphones and Wireless access throughout facility

Technology tools that are *being considered for the future which would enable workers to work from anywhere*: Tablets, followed by Laptops and Smartphones

Tools currently *being used that promote collaboration*: Virtual meeting software such as WebEx, followed by A/V tools such as conference phones and plasma monitors

Tools being *considered for future use that promote collaboration*: Videoconferencing and Desktop/Laptop videoconferencing such as Skype



# Salient Points

## Workplace amenities that contribute to increased productivity:

- 63% cafeteria and food service
- 56% informal gathering space

## HR metrics that are measured and monitored:

- 66% measure the success of hiring the best talent
- 56% measure retention rates
- 45% measure cost of recruiting
- Some of our respondents noted that HR metrics were only measured by HR, and not by CRE departments

## For achieving better productivity -

- 53% feel that a redesigning the workplace for a better work flow would help
- 43% feel that Document Management Digitization and retrieval would help

## For further questions, please contact:

**JD Hughes**

Research Associate

CoreNet Global

[jhughes@corenetglobal.org](mailto:jhughes@corenetglobal.org)

**Sonali Tare**

Senior Research Associate

CoreNet Global

[stare@corenetglobal.org](mailto:stare@corenetglobal.org)